NRA U.S. CODE

The Nation

FOUNDED 1865

Vol. CXL NEW YORK, WEDNESDAY, MARCH 6, 1935 No. 3635

Contents

EDITORIAL PARAGRAPHS 261
EDITORIALS:
Mr. President, Begin to Tax! 264
A National Labor Law 265
War Preparations and the Arms Inquiry 265
The Lowbrow Vote 266
ISSUES AND MEN. TWO YEARS OF ROOSEVELTIAN COMPROMISE. By Oswald Garrison Villard 267
DR. TOWNSEND SOLVES IT ALL. By Raymond Gram Swing . 268
PEANUT HILL. By Leland J. Gordon 270
TERROR IN SPAIN. By Ellen Wilkinson 272
TAXATION IN THE NEW SOCIAL STATE. X. A TAX PROGRAM FOR THE FUTURE. By Paul Studenski 274
IN THE DRIFTWAY. By the Drifter 276
CORRESPONDENCE 277
LABOR AND INDUSTRY:
"Hand and Brain." By Heywood Broun 279
Labor Notes 280
CONTRIBUTORS TO THIS ISSUE 280
BOOKS, DRAMA, FILMS:
Panic. By Archibald MacLeish 281
Anatomy of Dickens. By William Troy 282
One Man's Road. By Mary McCarthy 282
Little Man Once More. By Dorothy Van Doren 284
Democracy and Infantry. By William Seagle 284
The Art of Poetry. By Babette Deutsch 286
Drama: Shaw for Shaw's Sake 286
Films: "Sequoia." By William Troy 288

BOARD OF EDITORS
FREDA KIRCHWEY JOSEPH WOOD KRUTCH
RAYMOND GRAM SWING
ASSOCIATE EDITORS
MARGARET MARSHALL MAXWELL S. STEWART
DOROTHY VAN DOREN

OSWALD GARRISON VILLARD
CONTRIBUTING EDITOR

SUBSCRIPTION RATES—DOMESTIC: One Year $5; Two Years $8; Three Years $11. CANADIAN: 50 cents a year additional. FOREIGN: $1 a year addition.

THE NATION. Published weekly at 20 Vesey St., New York. Entered as second class matter December 13, 1887, at the Post Office at New York, N. Y., under the Act of March 3, 1879. Copyright, 1935, by The Nation, Inc.; Oswald Garrison Villard, Publisher.
Muriel C. Gray, Advertising Manager. Walter F. Grueninger, Circulation Manager. Cable Address: Nation, New York.

THE SENATE'S REJECTION of depressed wages in work relief may not be final, and as the President is accepting it as a challenge of his leadership we assume he can win. If he does it will not be because the country believes in depressed wages, but because no other leader is available. His promise to the Senate that he would not permit depressed wages on government projects to depress wages in private industry was particularly amateurish. How is he to prevent it? What powers are vested in him to dictate the wages in private industry? And if the general wage level sinks because the government takes the initiative in creating a low-wage mentality, any corrective he seeks to apply will be too late. We believe the President has been unhappy in his whole approach to this question. What he could have argued reasonably is that a sufficient annual income is more important to workers than high hourly rates, and that he intended, particularly in the building trades, to provide an annual income substantially higher than is being earned in many industries. He also could have shown that hourly rates in the building trades are too high to encourage large undertakings for low-cost housing, though annual earnings are low. Great political skill on his part would have chosen such arguments. A demonstration that he intended to pay adequate annual incomes would have set at rest the fear that he was going to depress wages generally. Now the President finds himself forced to fight for a weak case, after having refused battle after battle for sound principles.

THE PRESIDENT might celebrate his mid-term anniversary by that innovation for an extrovert, a period of contemplation. He could ask himself why it is that circumstances have driven him to oppose the very people in American life and their spokesmen in the Senate who comprised the bulk of his support. He could ask himself whether he cares to be written down in history as the champion of the automobile manufacturers and newspaper publishers, for instance, or of the processors and distributors in agriculture. We do not believe he ever intended to be aligned as he now finds himself, leading the right-wing of his party against the progressives. If he can blame circumstances, he also can wonder why he has not found among his advisers more men of courage and spiritual integrity to stand up to him and reinforce his faith in his own principles. He may also feel that his secretariat, however loyal, is not of the caliber to carry the responsibilities that he imposes on it. Though he has to make all major decisions, he cannot do everything, know everything; he must be able to count on his associates for that rare combination of dependability and independence which saves a leader from his own limitations. He might regret that he has involved himself so deeply in his present right-center position that it would be hard to maneuver his way back to the left center where he began at the White House. But he will surely remember the left center as a happier political base, both for winning an election and for performing the public service that was dear to his heart.

CONSIDERABLE LIGHT is cast on the nature of American recovery by two reports which have appeared simultaneously in Washington. In the first the Federal Reserve Board estimates the level of industrial activity for January at 90 per cent of the 1923-25 average—the highest month, with three exceptions, since 1930. Employment stood at 78.6 per cent of the 1923-25 level, though the index of factory payrolls was only 64.1. In each case the figures were substantially higher than those of a year ago, which would appear to give reason for encouragement. Analysis of the figures reveals, however, that the rise is almost entirely attributable to the present boom in the automobile industry. If proper seasonal correction were made for this highly volatile industry, the index of business activity would be between 83 and 85, and if the industry were disregarded altogether, it would be no higher than a year ago. Moreover, the January figures reflected the peak of operations in the steel industry, which have already declined nearly 10 per cent from the high point. The second report—that of the NRA Research and Planning Division—shows that although payrolls in December, 1934, were only 60 per cent of the 1926 level, and the volume of production had declined by a third, "the income enjoyed by those who received dividends and interest was 50 per cent higher than in 1926."

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

It also points out that profits of the leading corporations had more than doubled in 1934 as compared with 1933 and had increased approximately 430,000 per cent since the first nine months of 1932. In contrast, the report contains a new estimate of unemployment showing 10,850,000 out of work in December, 1934, as compared with 13,577,000 in March, 1933, which, if accurate, would indicate that only one jobless man out of five had found work during the two years of the New Deal. On the basis of these figures no one can deny the fact of recovery; but it is all too apparent who have been the chief beneficiaries.

BY AGREEING to discuss the Eastern Locarno and related problems in addition to the proposed air pacts, the German government has once more paved the way for the organization of security in Europe. While Berlin's sudden reversal came as the result of pressure from both London and Moscow, there can be little doubt that the unexpectedly firm attitude of the Soviet government proved decisive. In a manner reminiscent of its challenge to Japan a year ago the Soviet government declared unequivocally that there can be no peace in Western Europe unless peace is simultaneously assured to Eastern Europe. That there might be no mistaking its meaning, it listed the nations favoring pacts of mutual assistance, which included all the leading countries of Europe except Germany and Poland, and suggested that even in the latter countries the masses would favor such pacts if allowed to state their views. The reason for Moscow's strong stand is obvious. It had become convinced that Germany's attempt to dodge discussion of the Eastern Locarno indicated a desire to obtain freedom of action in Eastern and Southeastern Europe in line with the policies outlined by Hitler in "Mein Kampf." It realized that if the Reich could obtain Britain's consent to such a plan, even a French alliance could not adequately protect the Soviet Union against a simultaneous attack from both Germany and Japan. Confident of France's support, it decided to stake everything on an immediate and vigorous declaration which would force both Britain and Germany to show their hands. Thus far the strategy appears to have been successful, although continuous pressure will be necessary to make Hitler accept the security pact in its entirety.

PARAGUAY has followed the example of Japan in withdrawing from the League of Nations when faced with its unqualified denunciation for waging an illegal war. But in contrast with its impotence in the face of Japan, the League is giving every indication that it will continue its struggle for an equitable solution of the Chaco conflict. The arms embargo against Bolivia has been lifted, while that against Paraguay is to be continued and strengthened. Other penalties, such as a financial blockade, are being discussed and may be imposed if the leading South American countries will consent to their enforcement. As Paraguay's withdrawal cannot be effective for two years, and then only if it has fulfilled its international commitments, continual pressure is possible. The League is open to censure for its unpardonable delay in seeking to terminate the Chaco war, which was a year old before the League took official notice of it, and possibly for the timidity which it has shown in handling the issue. But in taking a firm though belated stand now it is serving as a focus for world opinion, which after all is the League's chief function. Whether or not it will be successful in enforcing sanctions depends on a number of factors, not the least of which is the attitude of the United States. Under existing laws the United States government is powerless to control the shipment of arms to belligerent nations in violation of embargoes, or to prevent inaccurate labeling of shipments to foreign countries. Evidence introduced before the Senate Munitions Committee indicates that certain American firms have found means of circumventing the President's arms-embargo proclamation of May 28, 1934, and have shipped munitions to both parties. New legislation is required, and it should be pushed through without delay.

WILL PRESIDENT VINCENT of Haiti travel the classic route of Latin American dictators? Martial law, against which he protested so eloquently for so many years when it was imposed by United States marines, now exists by his own executive decree. Under it half a dozen Haitians have been heavily fined and given prison sentences for writings critical of his administration. No less ominous is his freely discussed purpose to break the senate opposition, to violate the constitution, and to perpetuate himself in office. Eleven out of Haiti's twenty senators—and they include men of proved integrity and devotion to the public welfare—have voted against various executive projects. Chief of these is the proposal that the Haitian government purchase the Banque d'Haiti from its owner, the National City Bank of New York, and turn over the collection of the balance of the foreign debt to the bank's six directors, four of whom, despite Haitian ownership of the bank, shall be Americans—representatives of the creditors—until the debt is extinguished. This arrangement was proposed by our State Department as preferable to the existing fiscal adviser and his corps of assistants, who are appointed by the President of the United States but paid by the Haitian treasury. Outright and unconditional withdrawal of our financial control would be still better and more in harmony with the admirable manifestations elsewhere of President Roosevelt's "good neighbor" policy.

RECENTLY PRESIDENT VINCENT held a plebiscite to secure indorsement of his policies. Needless to say he obtained it, just as our marines in 1918, through the only other plebiscite ever held in Haiti, obtained overwhelming ratification of the United States-made constitution which they desired to impose. This extra-legal device would have no significance if it were not to be used as a pretext for illegally unseating one or more of the insurgent senators and creating a legislature which not only will be the president's rubber stamp but will declare his continuation in office "indispensable" to the welfare of the nation. Reelection is forbidden by the constitution which the Haitians adopted after the coming of the Forbes commission in 1930. But President Vincent is reported to have stated recently that "the will of the people is above the constitution." That has an ominously familiar ring. A reelection, or an officially imposed candidate, means the beginning of a dictatorship, increasing ruthlessness and oppression, bloodshed and chaos. *The Nation* ventures the hope that Sténio Vincent will not mar his long record as a patriot and statesman by plunging his country into disaster.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ON JANUARY 7 President Roosevelt granted a sixty-day reprieve to Charles Harris, condemned to die a few days later for the murder of a notorious Washington gambler, "Milsie" Henry. The Attorney General had asked for the delay in order to give time for a study of the case. Meanwhile a number of disinterested persons have become convinced of Harris's innocence and are making every effort to prevent his execution. Among them are Charles Edward Russell; Herbert E. Gaston, assistant to the Secretary of the Treasury; Rabbi Abram Simon; Charles McNerny, representing the St. Vincent de Paul Society; Constance Leupp Todd; and various others, including several lawyers. The evidence against Harris was so slight as to make his conviction appear incredible. He was condemned to die solely on the testimony of two men who said they saw him at or near the scene of the crime. One of these witnesses asserted that Harris was in a car parked in the neighborhood of Henry's house on the day before the murder. The second asserted that he had seen Harris twice—once the night before the murder by the light of a match struck to light a cigarette; again, the following morning when he heard shots, looked out of his window, and saw a man running from Henry's car to a car in which he escaped. No other direct evidence implicating Harris was introduced.

AFFIDAVITS were presented establishing a perfectly plausible alibi for Harris, which was not upset. No effort was made to connect him with Henry or to suggest any reason for the killing. The one person who encountered the murderer face to face was unable to identify Harris as the man. The witness who did so identify him saw the escaping murderer from a window at a long angle through a leafy tree; it was at 5:30 on a dark, cloudy morning. Although he ordinarily wore glasses, he was without them on this occasion. None of the circumstantial evidence in the case tended to implicate Harris. Why was he convicted and sentenced to die on the basis of two shaky and unconvincing identifications? The answer apparently lies in sloppy and possibly corrupt police work and court procedure. The murdered gambler was known to have bitter enemies in the underworld who were presumably responsible for his death. They were able to protect the actual murderer. But a culprit was needed, and Charles Harris, a pauper with a convenient police record and no influence, was selected for the role. If he dies without an opportunity for a fair trial it will be as serious a reflection on American justice as the imprisonment of Tom Mooney or the execution of Sacco and Vanzetti.

THE THEATER UNION in a little more than one year has established itself as a fresh and significant venture. It has produced at least two outstanding plays, and by means of its low price scale it has built up a large and stable audience which gives it ample support in New York. Unfortunately, however, these low prices allow only a narrow margin of safety, and an attempt to extend its activities by means of road companies has been so disastrous financially that the Theater Union is actually threatened with insolvency. "Stevedore," which was sent on tour, played two weeks in Philadelphia, where it was successful, and six weeks in Chicago, where it lost heavily. These losses have cut so far into the Union's reserves that the production of its new play, as well as its existence as a producing organization, is threatened unless help is forthcoming. Those who wish to see the excellent work of the Theater Union continued should send contributions at once to Charles R. Walker, 103 West Fourteenth Street, New York.

THAT OLD PATRIOT, William Randolph Hearst, has done more perhaps than any other living person to preserve the worst elements in the American tradition and to introduce even more vicious new ones. For that reason we welcome the tribute paid to this great public misleader by Professor Charles A. Beard, eminent American historian, speaking before an audience of educators at Atlantic City. We quote from Professor Beard:

> In the course of the past fifty years I have talked with Presidents of the United States, Senators, Justices of the Supreme Court, members of the House of Representatives, Governors, Mayors, bankers, editors, college presidents (including that great scholar and thinker Charles W. Eliot), leading men of science, Nobel prize winners in science and letters, and I have never found one single person who for talents and character commands the respect of the American people who has not agreed with me that William Randolph Hearst has pandered to depraved tastes and has been an enemy of everything that is noblest and best in our American tradition.

Professor Beard's words brought his audience to its feet in a noisy demonstration, in which school teachers cheered and professors put fingers to their mouths and whistled. We would not attempt to add to this tribute any more than we would paint the lily or daub pitch with tar. Instead we present, and indorse, an excerpt from a resolution passed at the Atlantic City celebration:

> We respectfully request [the Senate committee investigating the manufacture and sale of munitions] to investigate any relationship which may exist between the Hearst newspaper, industrial, and financial interests and the spurious anti-red campaign now current in the Hearst press.

Many happy returns of the day, Mr. Hearst!

MR. HEARST has every reason to hate the Soviet Government. His primary complaint at present relates to the Soviets' lack of "news sense." Here is Mr. Hearst in the midst of a great campaign to increase circulation by the description of a great famine which is said to exist in the Soviet Union. The least the Bolsheviks could do would be to starve, if only temporarily. But instead they have prospered in a disgusting manner. According to the New York *Times*, meat and bread are from 15 to 40 per cent cheaper than in November, while the quality of food served in the schools and factories has notably improved. Labor turnover, always an index of economic difficulties, has fallen to the lowest point since the inauguration of the first Five-Year Plan. The output of heavy industry is running nearly 50 per cent above last year and practically 100 per cent above 1932. Collectivization is proceeding more smoothly than at any previous period, with 85 per cent of the cultivable land already brought within the socialized sector. The past year recorded the first upturn in live-stock raising since the early years of the kolhoz. In justice to Mr. Hearst's consistency, we might say, however, that none of this information was obtained from his newspapers.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Mr. President, Begin to Tax!

WE publish in this issue the concluding article of a series on taxation in the new social state. As the articles have appeared, the trend of affairs in Washington has made them seem continuously more academic. Whatever else might be expected from the Roosevelt regime, tax reform—indeed, consciousness of the purpose and power of taxation—has slipped farther and farther into the background. The New Deal has become stabilized on the basis of the few and questionable achievements of its first year, such as the triple A and the NRA, with only the addition of a program of social security which is both badly conceived and is to be financed in the main by the traditional method of taxing consumption, hence the poor. The redistribution of wealth, which the President eloquently promised in the early days of his administration, is put off, his friends say, until his second term on the ground that our national income is still too low. Professor Studenski, in the concluding article of the series, asserts that this delay is neither necessary nor wise. Now that the decline of business has been stopped and in some sectors there is even some improvement, the start can be made, and since a concrete policy of social taxation is by all odds the most important element of both reform and recovery, essential to the very survival of our economic system, we urge the Administration to lose no time in squaring off to this fundamental task.

We recommend this knowing the difficulties. As a people we never have understood the elementary simplicities of taxation. Money needed by the state has come chiefly from direct taxation on real property and from indirect taxation on consumption. Neither device recognizes the principle of the ability to pay. Both systems have built up rather than broken down the accumulation of wealth by the wealthy. The most vicious of all sales taxes, the tariff, has created vested interests which appear to be stronger than the government. As the problems of finance have increased during the depression, taxation has been applied locally with a blind fury, on incomes, on consumption, on anything within the reach of the tax collector, without scheme, thought, or reason. The resulting picture is one of chaos. Order can be restored only by authority, and the authority in this field must come from the federal government. It must not be oppressive, and it must above all carry out a definite social philosophy, the need for which should by now be apparent to every thoughtful person. The nation is suffering from a maldistribution of economic privileges. It may be ruined by it, and it certainly cannot be saved unless the corrective is quickly, courageously, and wisely applied.

We have said this before, and have also been reproached by some readers for not being more specific. With the conclusion of our series we now join with Professor Studenski in a number of concrete proposals:

1. Immediate increase of taxation to yield at least half a billion dollars.

2. Increase of inheritance tax rates, the lowest tax-free inheritance to be certainly not more than $25,000, and life insurances above this figure to be subject to the tax. The maximum inheritance to be not larger than $5,000,000.

3. Income tax rates to be increased, and exemptions reduced.

4. Taxes on corporation incomes and unused surpluses to be increased.

5. Indirect taxation to be gradually abolished, particularly the sales tax, except for a gross-receipts tax at a fraction of 1 per cent.

6. An amendment of the Constitution to permit the taxation of the income of all federal, state, and municipal bonds, which thereafter are not to be issued free of tax.

7. Machinery to be established for a coordination of federal, state, and local taxation and budgets; and a system to be developed for a unified collection of all taxes with a standard policy for the division of receipts.

8. A tax policy to be adopted by which government reserves may be accumulated in times of active business to retire the debt incurred in times of less active business.

9. A long-term policy of social taxation to be worked out looking to the expansion of social services, including unemployment and health insurance, old-age pensions, and education.

10. Power to be given to the Administration to apply a capital levy immediately an inflation sets in.

The first purpose of such a program is to place the burden of the cost of government on the shoulders of those able to bear it. It is not there now. And as long as it is not there, the cost of government itself becomes a means of increasing the disproportionate power of wealth. A society which finances itself by impoverishing the poor and correspondingly enriching the wealthy cannot endure. The process is self-destructive. It ultimately must breed revolt, and then lead to the sacrifice of democracy in averting the revolt, which is the road to fascism. Our proposals are not radical in the sense that they would be rejected by many of the most able defenders of capitalism, who know that capitalism cannot survive unless it adjusts itself to social realities. Its second purpose is to use the taxing power intelligently, distributing the wealth of the nation so that it benefits the whole nation. It is a practical program; it includes the amortization of debt; it offers a method for averting the catastrophe of inflation. It foresees the expansion of social services, which are the best promises for that rising standard of life which ought to be the American inheritance. It is a program we commend to the President. We believe that he would find a majority for it in Congress, including all progressives and most of those who were elected primarily as legislators of the New Deal. It would realize the abstract principles which this country believed to be implicit in the New Deal when it gave the President his impressive mandate last November. We warn him not to wait two years more before beginning to use the taxing power of the government. It is, to begin with, an abrogation of the chief powers of the social state. And the delay is demoralizing; in two years we may be so lulled by the ease of borrowing that we cannot rally to the hard truths of sound finance. To wait is to gamble. There is no gamble in beginning now.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

A National Labor Law

ALMOST coincidentally with the President's message to Congress asking that the National Recovery Administration be retained in substantially its present form for at least another year, Senator Wagner introduced his industrial-disputes bill, which he calls the National Labor Relations Act, and which provides for considerable modification of the labor provisions of the NIRA. Although Senator Wagner probably need not expect the support of either Mr. Roosevelt or Secretary Perkins—who prefers to keep industrial-disputes machinery under the aegis of the Department of Labor—his bill is in many respects admirably devised to eliminate the weaknesses of the present methods of dealing with labor troubles, and it deserves not only the support of the A. F. of L., which indeed it has, but of every employer who honestly wants to live on a democratic footing with his employees.

The most important provision of the bill goes to the heart of the present difficulty in that it proposes an independent labor board with exclusive and definite authority, subject to review by the courts, to interpret and enforce the laws dealing with collective bargaining. The existing National Labor Relations Board, although its personnel has been able, honest, and just, has been woefully without power or status. Its decisions have been presented as recommendations to the President through the Department of Labor; its powers have been shared by various code, industrial, and other boards, none of them having clearly defined authority, and by no means all of them possessing the confidence of the parties to a given dispute. Although his bill does not specifically say so, Senator Wagner evidently intends that his new board should supersede such special agencies as the Automobile Labor Board and the Newspaper Industrial Board. This is obviously the only way by which a consistent, just, and effective body of labor law can be built up.

The second most important provision of the bill is that giving a permanent, statutory form to labor's right to bargain collectively. Section 7-a of the NIRA may or may not be left in the various codes. Under the new labor act collective bargaining would be guaranteed to workers, and employers would be prohibited once for all from imposing restraint on employees who wished to make collective agreements. In restating the provisions of Section 7-a, the proposed law lays down clearly defined restrictions against company unions. No organization which was established at the instigation of an employer, which exists through his connivance, or which receives material support from him may make a collective agreement. The company union may continue to exist as a welfare agency or for the adjustment of grievances, but it is inoperative for the purposes of collective bargaining. This provision, of course, goes directly counter to the principles laid down by President Roosevelt in creating his Automobile Labor Board. But it is obvious that collective bargaining can function only when the labor organization is free of all possibility of coercion or influence on the part of the employer.

The bill cuts through a mass of muddled thinking and forthrightly establishes majority rule as the principle which must be followed in the determination of the bargaining unit. Despite the opponents of this principle, who seek to complicate and confuse the issue by posing problematical cases in which majority rule seems unworkable, it is clearly the best possible method of settling this vexing point. Minority groups may, of course, meet with their employer for the purpose of adjusting agreements. But this is not collective bargaining, nor should it be called so by any responsible government agency. When no group in a given plant has a majority, the proposed board shall have power to determine what the bargaining unit shall be, and to enforce its orders through the courts if necessary. The board is also given powers of arbitration and investigation when a trade agreement is in process of being made.

Almost the last sentence in the bill declares: "Nothing in this act shall be construed so as to interfere with or impede or diminish in any way the right to strike." This clause as much as any other will continue to win for the bill the determined opposition of the National Association of Manufacturers and similar groups. Only the most vigorous championship by the proponents of labor will succeed in forcing consideration of a measure that on the whole promises an admirable beginning in the more equal distribution of economic power in industry.

War Preparations and the Arms Inquiry

MANY Americans must have rubbed their eyes in amazement when they read on the front page of their favorite newspaper that the House of Representatives had voted approval of the War Department's share of a budget appropriation of $792,000,000 for defense in the coming fiscal year—a rise of 26 per cent since 1933 and the largest in fifteen years. To those who have been accustomed to think of the United States as an essentially peace-loving nation, this sudden frenzy of war preparation seems inexplicable. Our present army and navy are more than adequate to protect our soil against any enemy or combination of enemies. If reserves and training planes are included, we possess the largest military air force in the world, with approximately 50 per cent more planes than our nearest rival. Yet the new budget calls for the construction of 547 new planes by the War Department at a cost of $7,686,000, and additional provision is made for an expansion of the naval air force. The army's somewhat grandiose plan for the establishment of a dozen new air bases throughout the United States and its possessions has been shelved for the moment, but will doubtless reappear before the end of the present session of Congress. And although no armed force could possibly invade our territory, the President is granted discretional authority to increase the size of the standing army from 118,750 to 165,000 men, and to add 5,000 to the National Guard.

If a proposal of this nature had been presented at any time in the last dozen years, it would have provoked a veritable avalanche of protests from organized peace groups throughout the country. While the peace movement has never been successful in forcing a genuine reduction in

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

armament, it has unquestionably served as a check on the ambitions of professional militarists and armament firms. Despite its pressure, total expenditures for national defense rose from $591,000,000 in 1926 to $703,000,000 in 1930-1931, but declined to $628,000,000 in 1933-1934. In the latter year, however, President Roosevelt neatly sidestepped the peace lobby by appropriating $238,000,000 for naval construction out of PWA funds. Viewed in retrospect, this maneuver appears to have marked the turning-point in the influence of the pacifist movement in this country. Taken by surprise the peace organizations capitulated with surprisingly little resistance. Encouraged by the ease with which this coup was accomplished, an additional $612,000,000 was diverted from public works to military purposes this year, and $20,000,000 for an airdrome in Hawaii, Pacific Coast defenses, and army housing is to be included in next year's government-works program.

The apparent collapse of the peace movement is the more distressing because of the powerful weapon placed in its hand by the Senate munitions investigations. In the past few weeks the Nye committee has brought forth considerable evidence to indicate that the navy allotted its construction under the PWA grant to the "Big Three" of shipbuilding—the Newport News, Bethlehem, and New York Corporations—according to a prearranged agreement. Similar collusion on the part of the "Little Three"—the Federal Shipbuilding Corporation, the United Drydocks Company, and the Bath Iron Works—appears to have occurred in connection with destroyer bids. In the case of the Newport News Company it has been admitted that the corporation made a profit of approximately $5,600,000, or 35 per cent, on the construction of two cruisers. Evidence was also produced showing that certain shipping companies were approached for contributions to the Democratic campaign fund, and that the companies employed men reputed to have influence with the Administration to arrange naval contracts.

Yet at the very moment when these disclosures are being made, terrific pressure is being exerted from some quarter for the extension of American armaments. It is being exerted without even the pretense that the United States is in danger of attack from abroad. Has the thought occurred to anyone that the inquiry—commendable though it is—may be merely serving to divert attention from the real issue of the moment? The revelations of the Nye committee deal entirely with the past. The American people do not know what particular groups are active at this moment seeking to impose this unprecedented program of military and naval expansion, and they have no way of finding out unless the one group which has power to investigate—the Nye committee—should suddenly turn its attention to this issue. We realize that this may seem an unreasonable suggestion. The committee has been deeply engaged in its present investigations and would find it difficult suddenly to shift to new fields. Nevertheless some such action is imperative. If steps are not taken to stem the tide of war preparations we shall find ourselves in much the position that Germany was in in 1914—tempted to use the prestige and power conferred by our military prowess as an instrument of foreign policy. This can only be averted by throwing the searchlight of publicity on the interests that are seeking to transform this country into a preeminent military power.

The Lowbrow Vote

SPEAKING before an association of deans of women at Mount Holyoke College, Mrs. Eleanor Rowland Wembridge warned her hearers against depending too much upon appeals to the intellect. Educators, she said, were losing their hold upon public opinion because they refused to realize the extent to which the public is swayed by its emotions and because they allowed themselves to become too far removed from the "primary instincts." Even college students, she warned, are more often guided by an emotional force than by cool intelligence, and the teacher who expects to influence his students must know how to use an appeal to the emotions even if he does not himself respect it. And what is true of the teacher is true, *a fortiori,* of the political leader. It is because the intellectual relies upon intelligence that the masses are guided not by him but by the Longs, the Coughlins, and the Townsends—"demagogues who understand the emotional type."

There is nothing particularly new about the warning, but it has a peculiar force when it comes from Mrs. Wembridge. She was formerly the dean of Mount Holyoke and is at present referee of the juvenile court in Cleveland. What is much more important, she is the author of a volume called "Life Among the Lowbrows," which ought to be, if it is not already, a classic. No more shrewd, realistic, and at the same time compassionate study of the sub-average man and woman has ever been made. There, not in terms of intelligence quotients and statistics but in terms of concrete incidents, is presented the plight of the human being whose mind is simply not equal to the demands of contemporary urban life. No wonder that Mrs. Wembridge, who has seen so many individuals hopelessly involved in financial difficulties simply because they could not add, and who has struggled so often with the impossible task of teaching elementary morality to persons who think that "skill" means "something you cook in," should doubt the efficacy of purely intellectual appeals addressed to the great mass.

For all that, however, the problem is not one which it is easy to face. In the first place, one wonders whether the intelligent and well-meaning intellectual can ever really beat the demagogue at his own game, whether his deliberate attempt to appeal to the simpler emotions can ever be as successful as the demagogue's instinctive, and therefore more apt, use of the same methods. In the second place, democracy can hardly base itself upon the assumption that the majority of citizens are impervious to reason; for if they have to be manipulated, then the manipulation of the dictator—whether of the right or of the left—seems obviously to promise greater efficiency. It is true that few supporters of democracy still pretend to believe that the voice of the people is the voice of God or that the vote of the average man is guided by wisdom inherent in averageness. Their only argument is a pragmatic one: up to recently, at least, democracy has worked rather better than any consideration of what average intelligence amounts to would seem to promise. Possibly the events of the next decade will dispose of that pragmatic argument, but until it is actually disposed of it is hard to accept the suggestion that democratic leaders should frankly abandon faith in the appeal to reason.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Issues and Men

Two Years of Rooseveltian Compromise

PERHAPS this headline is not correct. In the first half of his rule, certainly, Franklin Roosevelt made more decisions, and vastly more important ones, than ever before in his career. He rose to his opportunity and to the needs of the hour in a way to surprise, delight, and astound many who had known him for years. But as time has passed we are witnessing again the emergence of that philosophy of compromise we came to know so well under Theodore Roosevelt. The present President goes first to the left, then to the right. At one time he attacks a group; next he seeks to appease it. This is so obvious that everybody is dwelling on it. The questions we may well ask as Franklin Roosevelt reaches mid-term are whither this policy of compromise is leading us, and whether the President himself is as strong as he was a year ago.

Recently an old and valued friend, who is often a welcome visitor to the White House, took me to task for my criticisms of the President's playing of politics, especially by and with Postmaster General Farley. It was largely necessary, she declared. But for his skilful treatment of the politicians and the press and his use of his patronage he could not have accomplished what he has. "Look at Congress," she went on. "It is getting out of hand occasionally now. It is opposed to many of the things for which the President stands. I know that the people voted overwhelmingly for him last fall, but the politicians are different. He owes a great debt to Farley and he could hardly get on without him." In its essence this is the old doctrine that has wrought such havoc in our political life during all the years that I have been writing about issues and men —the doctrine that a "good man" in office may stoop to the tricks of the ordinary spoils politician in order to advance his causes. The inference is that if the President were to take the idealistic course, hew straight to the line, and accept defeat at various points rather than to compromise and trim and further intrench the system of spoils politics, the country would be far worse off, and the problem of rebuilding America under the stress and strain of the economic crisis would be so entangled as gravely to endanger economic and political stability. That argument, too, is as old as the hills. The only new thing about it is the injection of the words "economic crisis." In its every other aspect it is familiar, having been made so by none more than by Theodore Roosevelt, who could tell by a glance—at his campaign contributions—whether a captain of industry was a "malefactor of great wealth" or an ardent devotee of the cause of the people.

Well, let us assume for the moment that this *is* the correct philosophy. Where has it got Franklin Roosevelt at the end of the second year of his Presidency? The simple truth is that he is far weaker today than he was a year ago, despite that unprecedented triumph at the polls last fall. The use of Farley and the offices, together with the policy of good Lord, good Devil, has not made Congress more subservient. It did not prevent the President's defeat on the World Court. As I write, the fate of his $4,800,000,000 relief-work bill is in doubt. Even more important is the fact that the reconstruction program is being checked or is collapsing all along the line. The NRA has gone down because of this same policy of compromising first on this code and then on that, of upholding the National Industrial Labor Board one day and reversing it the next, of being stoutly for labor one day and opposed the next. The policy of compromise has, in short, weakened and sabotaged the President's own program, which could only have succeeded by exalted leadership, clear cut, consistent, and courageous.

Most serious of all is that progressives everywhere, especially in the government, are dismayed and downcast. They rallied to the President's support the minute he outlined his progressive program. They spoke, fought, and labored for him—often at considerable personal sacrifice. As I meet them now they are one and all shattered, especially by the so-called "purge" in the AAA. I think Raymond Swing's analysis of that action in *The Nation* of February 20 one of the most remarkable pieces of political correspondence I have ever read. But not even he could estimate the damage that particular bit of compromise has done to the President throughout the country in quenching the enthusiasm and smashing the faith of the Administration's most worthwhile supporters. Even the liberal press, which was at first enthusiastic for the President, is beginning to take another tack. It rarely happens that a reporter like Arthur Krock, of the Washington office of the New York *Times*, goes so far as to say in a public address that the President's press conferences are a snare and a delusion, and that their real purpose seems to be mystification if not deceit. If that is what the policy of compromise leads to, I plump here again for the enemy-creating, defeat-inviting forthrightness of Grover Cleveland.

The pity of it is that in Franklin Roosevelt's case it was all so unnecessary. He has been like Meade and his generals after Gettysburg. They had won an enormous victory and did not know what to do with it. Had they followed Lee they would have caught him demoralized and shattered with a swollen and unfordable river at his back, and could have wiped out the Army of Northern Virginia two years before Appomattox. The people of the United States placed their future in Mr. Roosevelt's hands by a formal vote last November and he has not known how to profit by his victory. What will come of it all? Only one thing is certain: this Rooseveltian policy of compromise is having its try-out once and for all. The question is no longer merely whether it can bring about economic rehabilitation, but whether, through the falsity and weakness of its political philosophy, it will not lead us squarely to an American fascism.

Oswald Garrison Villard

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Dr. Townsend Solves It All

By RAYMOND GRAM SWING

THE story of Dr. Townsend the humanitarian, as distinguished from the economist, is sweet and wholesome. Here is a man who wants to help the aged, help the country, help the whole human race, and who does not aspire to dominate anybody. He has no philosophy of repression, he leads no cult of reform-via-terror. He has lived the typical life of the faithful, sub-successful American professional worker. As a young man he was badly battered in the struggle to begin a career. He worked with tenacious courage to obtain an education, and did not get his medical degree until he was thirty, known to the rest of his class as "Dad." He performed his duties as a physician with the unpraised loyalty of the great majority of that profession. He contemplated his own experiences and the life he saw about him; it made him wretched, and he strained after a solution that should end the tragedy in which he saw his fellow-beings enfolded. And he hit upon the solution. Nothing could be more American. As a nation we were created by such men, who toiled, suffered, and dreamed, and were filled with the faith of dreams. Utopians have written many forgotten chapters in the growth of America. Always we have progressed in two directions simultaneously, building a massive materialism which outdid anything on the face of the earth, and projecting castles in the air, like a great confession to heaven that our material life was not sound. In the heart of nearly all unweaned Americans lies the waiting Utopian, aching to believe in the New Jerusalem, certain that there must be just one wise answer to all the problems of economics and politics if only it could be found.

Dr. Townsend found it. No matter, for the moment, that his answer is wrong. In finding it, he gave expression to the great mass of Americans who, like him, are obsessed with the tragedy of life, desperately desirous of helping all humanity, and certain that there must be a short-cut solution which will clear up everything and make everybody happy. That is why the case of Dr. Townsend is an exceptionally illuminating success story. He is the incarnation of the American Utopian, he is a salient bit of American history marching on, and he is the revelation of the submerged half of the twofold nature of Americans, the half which sees in dreams what it cannot find in reality.

His success is really not phenomenal; it only seems so to those who do not appreciate what Americans are made of. Today he leads millions of them. I am told that 25,000,000 Americans have signed petitions to Congress for the enactment of the Townsend plan. I doubt if anyone has actually tabulated so many signatures, but that is beside the point. Put it this way: more people have signed up for the plan than have signed up for any other specific measure before this or any other Congress. Three thousand Townsend clubs have been formed in about six months. Huge Townsend meetings are daily occurrences. And the doctor has real hopes that Congress will be forced to adopt his plan, or one essentially like it. Certainly more letters have poured into the Congressional office buildings this year demanding the plan than ever came in asking for anything else. They have already so changed the thinking on what an old-age pension ought to be that the $30 a month in the Administration's security program, really an expensive figure, looks positively niggardly.

Dr. Townsend does not deserve to be ranked with the demagogues, except in the first definition given in Webster's dictionary: "a leader or orator popular with or identified with the people," a meaning marked "obsolete or historical." When the great idea of revolving pensions welled up in his brain he did not believe it was going to make him dictator of America, or even President, despite his having been born in an Illinois log cabin. It simply seemed to him an inspiration destined to cure all America's economic ills by a single operation. As the idea spread, and as he emerged as a national figure, no one was more surprised than the Doctor himself; and let it be said for him that he has assumed prominence with becoming calm and modesty. Ideas of grandeur may creep into his mind, for certainly he has been tempted by his admirers with promises of great power. But he gives the impression that his head has not been turned. If anything he is more ingenuous than ever, sincerely grateful that his idea has brought hope to millions of people, and not a little bewildered when experts tell him that his scheme might wreck the nation instead of saving it. For he has only the single desire to serve, to do good, to relieve suffering mankind. To be depicted as a menace is to him a distressingly undeserved experience.

Francis Everett Townsend was born sixty-eight years ago in Fairbury, Illinois, one of a family of seven children; his father was the grandson of the Peter Townsend who swung the great chain across the Hudson River in the Revolutionary War to keep the British warships from reaching New York. He had a local education, and left home for more years of an Odyssey than most young men experience. He roamed over a good part of the country, in and out of work. He tried his shoulders at homestead farming in Kansas, teaching school to eke out an existence. But he left this, via freight train for Colorado, and much later, at twenty-six, appeared at the Omaha Medical School with $100 cash and an insistence on obtaining a medical education. The dean got him some bookkeeping, also the lawn-cutting and furnace-tending woven into so many American educations, and at last he took a seven-mile newspaper route and delivered the *World-Herald* each day for $3.75 a week, a sum which made it possible for him to graduate at thirty. He soon was practicing in the Bearlodge country of the Black Hills, on the fringe of cowboy and mining-town violence, and he remained there for years, living on as strong a diet of crude reality as even a benevolent physician could endure. There he met his future wife, Mrs. Minnie Bogue, a nurse in the hospital where he and his partner centered their practice. After years of hard life he decided to migrate to California. Thus he finished the span of the continent which his forefathers began. Nothing in this career foretold the astonishing celebration lying in wait

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

for him in his old age. Mrs. Townsend was a widow with a child of seven when they married. The Townsends had twins, who died, and then a son, now in college. They adopted a daughter, now eighteen. The new home was at Long Beach, where for years he was assistant in the health department. And here he would have remained and died nationally unnoticed had not the great idea of revolving pensions burst upon his mind.

The occasion, as he himself has told it, was the sight of three old women sifting through the contents of a garbage can for usable scraps. He watched them, then he straightened to his full, lean length and let out a cry of terrible rage, which brought his wife rushing into the room. He was shouting out profanity, with what old-fashioned religious folk call "righteous indignation." The sight of the miserable old women set his mind to working out the social remedy. And the Townsend revolving-pensions plan was conceived in the fire of his wrath. His mind often had roamed over the field of injustice to parents, who give their contribution to youth often to be rewarded in old age with neglect and penury. Beginning with this injustice the revolving-pension idea grew to be a corrective of the entire economic maladjustment of the depression.

The plan itself is really two plans, one to reward the aged, the other to create business and cure unemployment. It is not always understood that the second part does not rely on the first at all. The same effect on business would be felt if any eight million persons of any age were removed from production and given $200 a month under pledge to spend it in thirty days. It would have the same consequences if the money were paid, say, to all the members of the American Legion and their relatives, or to all young people between twenty and thirty. The only reason the two plans come together is that Dr. Townsend thought of the second part trying to devise some way of satisfying the first part. But since the two parts are not usually considered separately, the economic analysis is cluttered up with the sentimental appeal of doing something for the old folks. Since it is highly desirable to relieve them, somehow the economics of big revolving pensions becomes highly desirable.

At first the Townsend plan was to raise the money for the pensions by a straight sales tax of 15 per cent. This was changed later to a tax of 2 per cent on each business transaction. The Townsendites refuse to quibble about the percentage. They do not care what it is if it provides the revenue to get the money into circulation. They are not even clear about what a business transaction is. Reckoned one way, the number of business transactions in the United States would not yield more than one-third of the funds needed. Reckoned another, it would yield more than enough. But this, too, is immaterial to them. They are sure the money can be raised by a tax, as of course it can be if consequences are ignored. And the tax, strangely enough, is not on wealth—incomes are the most easily taxable wealth—but on business transactions, in other words, ultimately on consumption. And once consumption is taxed, the burden rests on the whole body of consumers, so that the vast mass of those who consume in small portions pay the great bulk of the tax, and are correspondingly poorer. The result is that the income of the masses is divided up, those with little being left with even less, those with much retaining more than their fair share.

The Townsend thinkers profess not to be nonplussed by this description of what would happen under the revolving-pension idea. They argue that if the country can start out with two billion dollars of money which has to be spent in a month, this will create so much consuming power that production will begin, the unemployed will find work, and the creation of true wealth will set in, to be heaped up as the spending of money produces new activity. Their confusion lies in the belief that they are tapping sources of wealth which now are idle. They are not creating wealth but redistributing it. And their redistribution is not even a good one, since the money spent by the old folks would be derived chiefly from the poorer part of the community. If the plan would take wealth from those who have more than their social share and give it to those who have less than their social share, the tax would be not on consumption but on large incomes and inheritances. But no tax on these sources would raise anything like enough to pay Townsend pensions, or indeed pensions of any real generosity. Obviously the Townsend plan would have been based on this kind of taxation if it could produce the required revenue. It should be equally obvious that since no other source of distributable wealth exists, printing money to launch the scheme would not create it. And if everything is taxed at every phase of the manufacture and distribution of goods, the money cost of the article will increase. By the Townsend plan pensioned people would receive their money out of the incomes, chiefly, of the poor, and what they received would depreciate in value so that $200 might become $100, or $75, or $50, or even less. And at the same time the great mass of the population would be receiving correspondingly less for its wages and salaries. The moral, of course, is that you cannot create wealth by dividing wealth. What you can do is distribute such wealth as exists on a far more equitable basis. But this is not what Dr. Townsend—or yet President Roosevelt—proposes to do.

If Dr. Townsend changed his plan so that it really redistributed wealth, he would have to drop the $200 conception. Pension schemes are costly. In Great Britain, where the old-age pension is a mere $10 a month, to which every eligible man, woman, and child contributes, from sixteen to sixty-five, along with their employers, and of which the state also pays a share, it is estimated that the cost to the government after eighty years, when the contributory system will have been working for two generations, will still be $435,000,000 a year. The British scheme, transplanted to this country, would cost the Treasury nearly three times as much because of the larger population, and a $30 pension would cost the country nine times as much, or about four billions a year. These are realities. Larger pensions can be paid only if there is more real wealth to tax. And if any government tries to increase pensions before real taxable wealth has increased, it will be simply depreciating its currency, and hoaxing people with the false numerals on its coin. The one really meritorious economic argument in the Townsend plan is that in the first months it would set unemployed people to work through public spending. But what difference, except in speed, is there between the spending by old folks and the spending at standard wages by the government? When unemployed people, now on relief, go back to work at wages higher than their relief, they add to the national income by the difference between

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

their wages and relief. That is the creation of wealth, the only possible creation of new wealth in our present society.

But Dr. Townsend, in believing that magic can be worked with money, is in the true American tradition. European radicals feel the class struggle more poignantly than it was felt in America so long as there was an expanding frontier. Our radicalism has tried to obtain cheap money, free silver, inflation, rather than to win in the fundamental conflict of employee against employer. That is no doubt natural, since financial radicalism, nearly always disguised inflation, is an assault on capital and a mass attempt to reduce the burden of debt. Debt was always the curse as well as the blessing of an expanding continent. The Townsend plan, strictly speaking, is not inflationary after the first month. Thereafter it becomes the redistribution of purchasing power. In so far as it increased the velocity of money it would increase somewhat the actual volume of purchases. But it would in the main be a flow of purchasing power from one section of the lower level of society to another section of the same level, the pensioned old folks, and the wealth which Dr. Townsend blithely assumes would rise to towering heights would not be amassed. The result would be so disappointing that inflation undoubtedly would be resorted to in order to make it appear more successful.

Dr. Townsend himself is not so significant as the importunate credulity he reveals in the American nation. Six years ago, during good times, he could not have obtained 25,000 signatures for his plan. Now the masses are ready to believe, and—a point worth stressing—they will not be satisfied with anything a great deal more sober. It is dissatisfaction with the attainable which leads to fanaticism and at last to social fury. There was nothing quite so fantastic in Hitler's program during his propaganda days as the Townsend plan, though it was woven of the same thread of fantasy and in the same ignorance of economics. But the people who listened to it did not criticize it. They preferred to believe. And when great masses are ready to believe the impossible, that is an ominous political fact. In this sense, the danger is not Dr. Townsend, who in himself is as harmless as a dove, but that so many millions accept his plan. At his age it is highly doubtful whether he ever will lead a political movement, or even combine with other demagogic movements as one of a coalition. He is sure to offer a temptation to the radical aspirants to dictatorship, who see a chance to pick up the Townsend following at a cheap price. By nature Dr. Townsend would not care to have traffic with them. His sympathies now lie with the progressives, the more progressive the better. And it may be that in the end the progressives will undertake to redraft his scheme in Congress, and see what can emerge in the way of pensions financed not out of consumption but out of incomes and inheritances. If they do that it would become a purely social measure, it would not do much for recovery, and it would not be the yearned-for panacea for the whole woe of the world. It would be just another great disillusionment, of which there have been so many in American Utopianism.

Peanut Hill

By LELAND J. GORDON

PEANUT HILL is a typical sore spot in our economic system. Perched on a hill, silhouetted against the setting sun, are ten shacks whose barren walls conceal human tragedy and symbolize the failure of a system. From the hilltop one can look across the surrounding valleys of Belmont County, Ohio, and see other camps—Dogtown, Black Oak, and Virginia Hills—where other unwanted miners and their families look into a future that is black and blank.

For some of the men there is occasional work, but for most of them there is none. For most of the families there is some relief, but for some there is none. Years of starvation have strewn the hillsides and valleys with diseased and dying victims. This letter just came to me from one of the men in Dogtown:

> i have three children going to school they havent hardly enything to were they havent eny swetter nothing but a thin coat they have bin going to school without eny stockings it has been quite cold some mornings jane is 16 martha 13 herbert 11 i have been sick for over one year on direct relief just enuf to keep from starving i dont have eny money to bye clothing . . . i havent had clothing to fit to go to church since the strike in '27 i am a miner after the strike i couldnt get work in the mines they wont hire men over fifty years old.

This man, like many others in that coal area, has tuberculosis. Last winter his family lived largely on bean soup, made with a handful of beans, at ten pounds for a quarter, in a gallon of water. The children had no bedding until Denison University students gave each one a single blanket.

As he sits on his doorstep this man looks across the valley to the "Big Five" mine, which will never open again. When he worked, miners were paid 28 cents a ton, but in a nearby mine they are paid 13 cents a ton and so short-weighted that the director of county relief told me they had to weigh out on the average 6,000 pounds to get credit for a ton. For the shacks in which they live they pay the company $8 a month. If they fall in arrears, 50 per cent of their next pay is held back for rent. On Charles Harris's last three pay days he has received 92, 94, and 96 cents! In three years the most he has made in a two-week period is $6.40.

On rainy nights the people cannot sleep, for the only dry spots in their houses are in the corners where they huddle. On cold winter days I have been in many of these houses when the chill wind was blowing through the broken windows and door cracks untempered by any artificial heat. These people are not allowed even to pick waste coal on the slack piles; they must buy it for 14 cents a bushel.

When a mine closes, as many have done in the past three years, each one throwing from 150 to 500 men out of work, the houses are sold to salvaging companies for as

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

little as $20 each. The occupants are turned out into an August sun or a February blizzard. Some go to the homes of relatives or friends, already overcrowded, or to a place like Peanut Hill, where the houses have been abandoned and they can live rent free. If a corporation should take 500 men and their families to an isolated island to work a mine, and then when the mine ran out lay off the men, tear down the houses, dismantle the mine, and leave the 1,500 persons to shift for themselves on a barren soil, we should all cry to heaven against such inhumanity. Yet in effect that is exactly what has happened time and again in these coal fields.

Those who have any cash to spend in company and local stores find prices higher than in the average Ohio town. While others of us pay 12 cents a pound for lard, 2 cents a pound for cabbage, and 14 cents a pound for salt pork, they have to pay 16, 3, and 27 cents a pound for these articles. While they pay 30 cents a peck for potatoes, we pay 15; and they pay $1.10 for a twenty-four-pound bag of flour compared with our price of 87 cents. I have known many a family which had no yeast to use with flour and no salt for its potatoes.

Who is responsible for these conditions? Certainly not the miners. With few exceptions they are men who have worked hard when there was work and saved when there was anything to save. Joseph Marcella once owned a store whose profits were invested in real estate and had a bank account. When the depression came he carried his customers, as he had done before, until he could no longer meet his obligations. When the bank took his houses and business he went into the mines. On his twenty-ninth day of work a rock slide crushed his leg. He will never work again. Today his family and his children's families are destitute.

Angelo Springetti worked in the mines from 1904 to 1930 when a runaway car crushed and cut him so badly that 103 stitches were required on his face and head. His vision is blurred and his back permanently injured. For a few months he received total-disability compensation based on his average wage of $509 a year, but he was soon reduced to partial disability, which yields $6 a week for himself and six dependents, and steps are now being taken to compel him to admit his full recovery by reporting for work—when there is no work—although he cannot walk fifty feet without support.

For three long years Jack Knizek has lain in bed fighting a losing struggle with tuberculosis. Three brothers have already died and his younger brother is afflicted. The county doctor has told him he can never get well unless he has good care—and altitude. But so far all efforts to get him into a county sanitarium have failed.

All these men ask for is a chance to work for a living wage. But that they cannot get. Thousands of men in the state are apparently condemned to a life of helpless poverty. They are not wanted, but cannot move. If they could move, where would they go?

The operators will of course deny any responsibility for these conditions. They are engaged in a fiercely competitive business in which they have staked their own capital and that of others. It is imperative for them to cut money costs regardless of human costs. When the mine is working, labor cost must be kept to a minimum, and when the mine runs out, costs must be cut by discharging men and by salvaging machinery, track, and houses. Where the displaced miners are to live is their problem, not the operators'. How they are to buy food and clothing is also their problem. If they go hungry and cold and fall sick, it is unfortunate, but the profit system makes no provision for them. If they starve for lack of food or die because they have no medicine, there is no alternative, for the grocer must have his money and the doctor must be paid before he will leave his office. Boyd's *Dispatch* says there are 1,384 persons in the county whose annual income is in excess of 5,000 dollars, but these discarded miners are not entitled to any income in a profit system because they are not needed.

One might also say they are not wanted. Not many persons would deliberately say, "Let them starve," yet our failure to provide organized means for supplying the minimum physical needs of these victims is an unspoken expression of that view. When Mr. Hoover was asking the electorate to return him to office and telling it that "none shall suffer from hunger or cold," there were thousands so suffering; thousands more were added the following winter. What did they do? Who took care of them? The Red Cross, that "Great Mother"? Not in Belmont, Jefferson, or Harrison counties. One county lost its Red Cross charter because it failed to raise its quota. The state relief commission? Not effectively.

Where does the relief money go? One worker told me that almost the entire proceeds of one bond issue, amounting to $2,000 for that township, were spent for back funeral expenses. Most of the funerals are a charge upon the county and by the time they are paid for there is nothing left with which to buy groceries. What a vicious circle! Not enough money to keep people alive because they die so fast. Another township in the same county had only $200 a month for relief, which was spread over forty families, some with seven children, at $5 a month. CWA road work has helped some men to the extent of $3.10 a day for four or five days a month. Some men had to walk twelve miles to get this work!

Has the NRA helped? The answer seems to be that those who are employed are better off but those who are unemployed are worse off. Prices are higher and relief funds are smaller. The people who suffer the most are those off the beaten paths in such out-of-the-way places as Peanut Hill and Dogtown. Others near the county seat fare better. If not, they can get to town to complain. But those in the remote camps have to travel twenty miles to the courthouse, and there is little likelihood that a county nurse or investigator will call. Nor do they have anyone to represent them effectively.

What does the future hold for the people of Peanut Hill and Dogtown? Unless something drastic is done the only answer is—death. Their condition now is hopeless and there is no effective relief in sight. For the immediate future the federal government should undertake a subsistence-homestead project for the permanent surplus of workers. But since that is a subsidy to the coal-mine owners and operators, the government should eliminate permanently the worst effects of a competitive profit system by declaring all bituminous coal mines a public utility to be operated for the benefit of the people rather than for the profit of a few, and on an accounting basis which will give first place to human costs.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Terror in Spain

By ELLEN WILKINSON

WE arrived in Madrid on November 9—the Earl of Listowel, who is a member of the Labor Party in the House of Lords, a secretary-interpreter, and myself. Our mandate? Simply that we were connected with an organization in England that had done a great deal of work to relieve the victims of fascism in Germany and Austria and that had been implored to do something about Spain. News from Spain in Britain was very scanty. The *Times* had printed some stories of atrocities said to have been committed by the miners, and then denied them. Little was known except that some sort of revolt had taken place in Spain in October and that a general strike in Madrid had been part of it.

On the morning after our arrival our first tasks were to visit the leaders of the revolt in prison, and to apply to Premier Lerroux for an interview about those prisoners who had been condemned to death. Most of the political prisoners in Spain are in the so-called "Model Prison." Between one and two o'clock each day they are allowed to see either their lawyers or relatives. Two Socialist deputies took us in. Imagine a large hall in a zoo with the animals behind bars all around the walls and the visitors walking around the center, and you have the reception hall of the Modelo.

We talked through the bars to Señor Largo Caballero, the leader of the Socialist Party and the Socialist trade-union organization, who had been Minister of Labor in the coalition government. When the Lerroux government, which succeeded the coalition, dissolved 400 Socialist municipalities, Caballero warned it that the workers would resist fascist rule. Lerroux replied by taking three of the leading fascists into his Cabinet; whereupon Caballero showed him that he had not been bluffing. The fact that this man, the recognized leader of Spanish labor, is sixty-five years old perhaps explains some of the hesitancies that proved fatal to the success of the revolution. It must be said, however, that under his leadership the Spanish workers did not wait for the fascists to do to them what had been done to the workers of Germany and Austria. Their stand was very nearly successful in important areas of Spain, and though defeated, it may yet have important political consequences. It was the first serious check to the fascist wave in Europe.

After our talk with Caballero we made the round of the cages and spoke with nearly every labor leader of note and also with the correspondents of several important foreign newspapers. The chief man of the well-known English Liberal journal, the *News-Chronicle,* was behind the bars. We met Luis Quintanilla, the great painter of the Spanish working class, for whom a long sentence is being asked on the ground that his studio was the meeting place of the revolutionary Committee of Youth. He seemed to be drinking in the life and color of the crowd through his eyes before going to the silence and grayness of a prison cell. "I am trying to think in line now instead of color," he said, with a quick, flashing smile.

In a corner of the hall some caged workmen made an effort to catch our attention. I went to them. For the moment an interpreter was not with me. They were desperate, since in a few minutes visitors would have to leave. Holding my hands through the bars they repeated again and again, "Asturias! Asturias! Asturias!" I recalled enough Spanish to say, "Yes, yes we are going there." When they were assured of that, they nearly pulled off my arm. It was my first inkling of what "Asturias" means to the workers of Spain.

It was strange to go straight from the prison to the official palace of the Premier with its gorgeous carpets and furniture in the Spanish-grandee style, strange to realize by how narrow a chance the man we had left in the prison had missed being the statesman who received us from behind this ornate desk. Señor Lerroux, still calling himself a "radical," as Mr. Ramsay MacDonald loves to call himself a Socialist, is a politician whom Americans would understand. King of the—let us be polite and call it the liveliest district of Barcelona—patron and paymaster of one of the various sets of anarchists, he came into prominence as a politician and journalist by his fierce anti-clericalism. Now he is the puppet, as Gil Robles is the mascot, of the clerico-financial reaction. Because he is a man of the world, accustomed to absorb public feeling through his pores, Lerroux is more valuable to the Jesuits and big banking interests in this crisis than is the young, impatient, and far more picturesque Gil Robles.

The Premier talked to us for an hour, assured us that the death sentences on the leaders would not be carried out, denied the press stories of atrocities committed by the miners, and ended by giving us a letter to General Ochoa, the military leader in the Asturias, asking him to facilitate our mission. Had the Premier had his way we should have been politely looked after, shown what it was "good for us to see," and our visit would have had as much effect as a stone dropping in a pond. It was Gil Robles and his fascists who presented us with the world-wide publicity which, despite all the criticism heaped on our heads, has at least made people understand that the high Spanish military authorities have something to hide in the Asturias.

"Get all the information you can while you are in Madrid," advised an American newspaperman, after the row Robles raised about us in the Cortes. "You may be arrested before you leave the city." We had eight hours to do it, and our friends did a record job of organizing for us. While Lord Listowel was seeing necessary official people, I was taken to the workers' quarter in Madrid, where the fighting had been at its hottest during the general strike. There, sheltered by railwaymen, printers, and fruit porters were some hunted refugees from Asturias. Every man known to have been in Oviedo who had escaped to tell the tale was being rounded up. Two well-known Spanish journalists, Barbiete and Fomtecha, had just been arrested. Luis Sirval, said to have in his possession sworn statements about the atrocities committed by the Foreign Legion, had been shot dead by an officer. These workingmen were in the gravest danger.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Their story, briefly, was this. The miners in Asturias were well organized and not rent by the divisions which paralyzed other parts of Spain, especially Barcelona. When the call came, they left their villages in the high valleys and marched on Oviedo, the trading and official center of the region. Oviedo had two factories for making light arms. The miners took the town and kept the factories going. These workmen swore to us, and their account was confirmed even by hostile sources in Oviedo, that the revolutionary committee had maintained order and carefully given receipts for all goods requisitioned from the shops.

Against the Spanish army the miners and other workers had held out easily. The private soldiers had no heart in the work of shooting them down. But aeroplanes bombed the railwaymen's quarters, and the miners retaliated by besieging the cathedral and university, both of which were badly damaged in the fighting. Then the government drafted Arab and Moroccan troops into the Foreign Legion, under white officers—and the officers of the Foreign Legion have no enviable reputation in Spain. Even so, the workmen told us, the miners could have held out, since they had plenty of arms and were well led. But aeroplanes dropped newspapers over their lines which made it clear that the revolt in the rest of Spain had collapsed. It was necessary therefore to make terms. These Asturians in Madrid, one of whom was a union official, swore that General Ochoa had agreed to the miners' terms—namely, that in return for the surrender of arms, prisoners, and certain leaders, the General would not send in the troops of the Foreign Legion until after the Spanish troops had entered.

The General has since denied that he made any promise, but at any rate the miners carried out their part of the bargain. Then the troops of the Foreign Legion marched into the town first, exactly as the miners had dreaded. Their first action was to loot the Oviedo shops. Gold watches could be bought on the streets from Arab soldiers for a few pesetas. "Of course, it was difficult to explain to the Foreign Legion that they must not loot the *good* shops," a government agent remarked to us naively in Oviedo.

In the villages the Foreign Legion soldiers had things all their own way. Every male, old or young, on guard or in hiding, was shot. Some women who had taken part in the fighting were also shot. Heroic tales were told of the deeds of cool bravery of these miners' daughters. Other young women were not shot; Arab troops and white officers had other uses for them. Mass executions of prisoners and captured workers took place in the main square of Oviedo as well as in the prison yards. The names and addresses of men and women shot or tortured were given to me. Such was the story we wished to check by a personal visit to Oviedo and the mining villages.

It soon became apparent, however, that local authorities there had no intention of allowing us to do this. We made an appointment to see the military commander and to present our letter of introduction from the Premier. We were kept waiting about an hour and a half, during which time we watched with interest the activities of a government agent who tried to force a row on us while we drank our breakfast coffee at a cafe. He endeavored to get a crowd to demonstrate against us, a difficult thing to do in a town under such severe martial law that no one dares to be seen in any sort of group. However, the crowd finally grew to about 200, this in a town of 70,000 inhabitants with a press which had been working up feeling against our visit.

When we were at last invited in to see Commander Doval, he tried to persuade us to say that "owing to the hostile attitude of the crowd we desired police protection to leave the city." As we had no intention of saying anything of the kind, the Commander obligingly said it for us to the press after we had gone, and the statement duly appeared in the European papers. We asked for permission to see the town under whatever escort he desired. (From the windows of the Town Hall a section of the main street looked like Arras as I had seen it in 1919.) To this the Commander politely agreed. We were conducted down the Town Hall steps to waiting cars. Some of the crowd booed. Others were silent and curious. A word from the Civil Guard would have dispersed the lot.

Instead of being taken around the town as had been promised, we were driven under a strong armed escort to the French frontier, a seventeen-hour trip through the night over the mountains. We were given no opportunity to check the grim story of horror that had been told us by the workmen in Madrid. We were not, as has been asserted, "meddling busybodies." We were duly accredited persons with a letter of introduction from the Prime Minister of the country to the appropriate military authorities. Those authorities were and are still engaged in "cleaning up" the area. Armed columns of two hundred men were being sent into the mountains to get the miners still resisting. It is significant that reports of their work are made in terms of "bodies found" and not of "prisoners taken." Naturally the miners are holding out as long as they can. The military are particularly anxious to avoid any publicity for what they are doing. Journalists they could arrest and silence. We, as foreigners of some standing, were an unexpected nuisance.

What were these miners fighting about? Not even the present Spanish government has been able to raise the bogy of Moscow gold and foreign agitators in the Asturias, though it has tried. The authorities told us that these miners were the best-paid workers in Spain. If that be true I am sorry for the others. From the train which crawled up the valley from Leon, the valley through which the miners had marched, we saw something of the appalling conditions under which they and their families have to live. Low wages have been further reduced by unemployment and short time.

The Asturian miners are the most solidly organized of the Spanish workers. They are so militant that an influential conservative journal has demanded that the mines be closed down permanently and coal imported from England lest the revolutionary tendencies of this area infect the rest of Spain. Commander Doval and his troops seem, however, to be stamping out such tendencies quite efficiently.

The October revolution was neither the beginning nor the end of the workers' movement in Spain. In no country in Europe are the differences between rich and poor so glaring. The illiteracy rate throughout wide areas is over 60 per cent, and the present government has just closed down a number of the existing schools on the ground of "economy." While grandees and peasants were the two main social divisions of Spain, this state of affairs could endure. But when the war came, and Spanish industrialists were able to make money from both sides, there arose in Spain an indus-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

trial capitalist class and a proletariat. And now, however hard priest and grandee may struggle to keep the old Spain that has been so profitable for them, the new social classes are breaking through the crust of the centuries. At present the big employers are scared of the workers' movement; they only wanted a "palace revolution" to get rid of the monarchy and the Jesuit power. But revolutions cannot be run as limited-liability enterprises. Spain has been forced to telescope into one generation the French Revolution and the Russian Revolution and the centuries between. The Spanish workers must now avoid having a Hitler revolution crammed into the same period.

Taxation in the New Social State

X. A Tax Program for the Future

By PAUL STUDENSKI

WE may now summarize the discussion presented in this series on public finance and advance suggestions for a financial policy to be pursued by a social state, not only in the present emergency, but also under circumstances likely to develop in the future.

It should be understood at the outset that no reduction in the emergency expenditures of the federal government can be considered until there is ample evidence of the capacity of private industry to employ more workers, and when that evidence is available, the reduction should be carried out gradually, according to a prepared plan. Nor has the time arrived when federal borrowing should be completely stopped. But the time has come when this borrowing should be diminished. Taxation should be used from now on with much more determination. The fact that the downward movement of business activity has been arrested, and that in some fields of business even a slight improvement has taken place, amply justifies the imposition of heavier taxes. These taxes will not interfere with an improvement in business conditions; on the contrary, a failure to impose them will interfere with it.

There must be no inflation of the currency through the issuance of non-convertible, non-interest-bearing Treasury notes to cover budgetary deficits or to defray any wildly conceived new expenditures, such as those proposed under the Townsend plan. Apparently there is little danger of such inflation as long as the present Administration continues in control of Congressional legislation. The Treasury has been able to obtain all the funds required, over and above those furnished by taxation, by means of legitimate credit operations at low rates of interest; and unless some unexpected political or economic developments of a disturbing nature should occur, the Treasury will be able to obtain in the same way the five or six billion dollars more that it may need during the next two or three years. There is of course a possibility of inflation occurring in the future as a result of an overexpansion of private credit on top of the existing great expansion of public credit at a time of a rapid and somewhat speculative recovery of business.

The evil consequences of currency inflation need not be considered here. There is a general agreement among most groups that it should be avoided at all costs. Of all devices to prevent inflation taxation is the most effective, and should be resorted to at once. A tax program capable of yielding additional revenue of at least half a billion dollars per annum under present business conditions, and more if conditions improve, should be developed and enacted at once. The essential elements of such a program should be an increase of from one to ten points in the rates of inheritance and personal-income taxes and a broadening of these taxes at the base. The required supplemental revenue cannot be obtained by additional impositions on the wealthy classes alone. There must be additional impositions also on people of medium and small means, but these should, as far as practicable, take the form of direct taxes so that they may be adjusted in accordance with ability to pay, and the payments should be undisguised. The level of exemption from the inheritance tax should be lowered to $25,000, and life insurance should be treated in the same way as estates. Personal exemption from the income tax should be lowered for married persons from $2,500 plus $400 for each child to $1,500 plus $250 for each child.

The tax program should also include moderate increases in the corporation-income tax and in the tax on cigarettes and other tobacco products, and the addition of a gross-receipts tax levied at a fraction of 1 per cent on all business except that done by extremely small concerns. The gross-receipts tax, which is collectable on the current gross income and payable monthly, would reflect any improvement in business conditions as it occurred and would therefore be especially valuable during a recovery. If levied at a low rate it would in large measure be absorbed by business.

At the first sign of inflation the government should be ready to impose taxes of a deflationary character. It should be ready to impose a capital levy and possibly a sales tax of the character suggested by Professor Colm, the rate of which would increase progressively and automatically with the rise of the price level. A capital levy of a substantial nature would cause an immediate shortage of funds in the money markets, it would force some property-owners to liquidate a part of their holdings in order to obtain cash with which to pay the tax, and it would in this and other ways exercise a restraining influence on prices. A sales tax of the nature indicated would discourage sellers from raising prices and buyers from buying and would thus deflate prices. Odious as is the sales tax as a mere device for raising revenue, it would become a serviceable tax if used in this way to prevent inflation. Plans for these two taxes should be worked out immediately and powers conferred on the Administration to impose them as soon as the price level begins to rise more rapidly than a predetermined rate per month.

The federal government should enact a tax on interest from mortgages. The tax might be so levied as to exempt interest rates up to 4 per cent and then be so steeply gradu-

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ated that by the time it is applied to a 6 per cent rate, nine-tenths of the excess would be taken by the government. Such a tax would either yield substantial revenue or else impel mortgagees voluntarily to readjust interest rates downward and thus ease the burden of the mortgagor. It would cause interest rates generally to decline and stimulate capital to engage in new enterprises offering possibilities of profit.

The present high rates of taxation should be continued after the emergency has passed, and even raised to still higher levels. In the course of seven or eight years of relative prosperity, we should liquidate the entire increase in the public debt of the past few years, while at the same time supporting adequately the newly organized social services. There is nothing impossible about this program. Let us assume, for purposes of illustration, that our national income, which amounts now to 45 billion dollars (85 billion in 1929), increases within the next two and a half years, in consequence of an improvement in business conditions, to 55 billion dollars; and that the rates of federal taxation are adjusted as suggested. The federal revenue under these circumstances would rise from the present level of 3¾ billion dollars to 6 billion dollars. This would be sufficient to balance the budget, which might be expected to drop considerably as a consequence of the elimination of emergency expenditures. A further increase in the national income to 65 billion dollars within another two and a half years should result in a rise in the federal revenue by another 2 billion dollars and in the appearance of an annual surplus of equal amount which would be available for debt retirement. The federal tax burden would amount to only 12 per cent of the national income, and the combined federal, state, and local burden to 25 per cent—a burden by no means excessive under substantially improved business conditions.

Some of the recent expansion of government expenditures should no longer be considered as of an emergency nature but be treated as permanent in character and even carried farther as business conditions improve. This holds true particularly of proposals for the planned development of the country's natural resources and the development of cheaper electric power, for the inauguration of federal and state expenditures for old-age pensions and annuities, unemployment insurance, and social security generally, for the construction of new housing facilities for the low-income groups of our population, and, finally, for the extension by the federal authority of aid to states and local governments for purposes of education. Expenditures in the field of education (including higher education), public health, public recreation, and utility services should be increased as soon as economic conditions permit. The national, state, and local budget systems should be improved and the budgets themselves planned, executed, and accounted for more efficiently than they are today. In addition to annual budgets governments should develop and maintain programs of capital outlays and financings covering periods of from five to ten years. Before we can expect effective government participation in the coordination of the various features of our broader national economy, we must have better planning and control in the traditional spheres of government activity.

As a part of a permanent program the tax system of the country should be brought into closer accord with the principles of ability to pay and of the use of public finance for social control. Taxes on personal incomes should be made more universal in their application and more steeply graduated. Sales taxes should be remodeled so that they would become elastic business taxes usable for social control; and the rate of the corporation-income taxes should be increased. The present so-called emergency rates of inheritance taxation should be continued and even carried to a point of taking for the use of the state any excess fortune above a fixed sum, say $5,000,000. Only by limiting the fortunes that may be transferred to beneficiaries shall we be able to preserve democracy and relative equality of opportunity in this country. The rates of the taxes on personal and corporate incomes, excess profits, capital stock, and undistributed surplus of corporations should be adjusted so that within certain limits they would automatically fluctuate with the rise and fall in business activity and in the volume of investments. This can be accomplished, as recently suggested by G. T. Altman in the *Tax Magazine,* by relating the rates to an index of business activity and capital accumulation. The Treasury could announce annually by reference to these indices the rate to be applied to the taxes of the year. The surpluses resulting from rising rates might be used for debt retirement, the expansion of social services, and the accumulation of reserves. Deficits caused by dropping rates could be covered from reserves or new borrowings. Public finance might thus serve to stabilize our national economy.

The federal Constitution should be amended to give Congress specific authority to provide for a national system of social security by means of such taxes or other impositions as it may deem proper, thus insuring the constitutionality of such legislation.

The country's tax system should be considered as a unit and not as a conglomeration of a number of unrelated systems—federal, state, and local. The federal credits for inheritance taxes paid to states should be applied to the existing rates, instead of merely to the lower 1926 rates, but the credit should be fixed on a regressive scale, so that the federal government should receive 80 per cent of the amounts levied in the case of the large estates and a diminishing share, dropping to 20 per cent, in the case of smaller estates. Such an arrangement would end litigations over the question of whether large estates should be taxed in one state or another; and it would also introduce greater stability in state revenue. The crediting device regressively adjusted might advantageously be extended to the personal income tax. The states should cease taxing corporations on a basis of net income and alcoholic beverages on a volume basis, and should content themselves with a share of the proceeds of a federal corporation-income tax and a federal liquor and beer tax.

The coordination of federal, state, and local finance should be concerned, however, not only with taxation. It should also embrace the current budgets, capital-outlay programs, and credit operations of the various authorities, and be accompanied with a coordination of their administrative activities as well. Some of the functions of government would need to be reallocated as between these several layers of authorities. Before any such coordination can take place, a series of comprehensive studies of the underlying problems must be made by staffs of experts. It is to be hoped that the study of coordination of tax systems which is about to be made by the Treasury will be productive of a sound plan and will be followed by studies of the other

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

fields of federal, state, and local finance and administration. Such studies should be conducted under the direction of a specially created commission on federal, state, and local relationships, which should be transformed eventually into a permanent body. Its establishment should be followed by the organization of twelve permanent regional commissions of the same order. The task of the national and the regional commissions would be to develop intergovernmental unity and cooperation on a national and regional scale so that the government might emerge from its present state of chaos.

A substantial reorganization of local finance and administration should be undertaken. The administration of the property tax should be improved as regards assessment and like matters; the existing limitations on the rate of the property tax should be removed, and the local revenue system broadened through larger distributions to localities of shares of state-collected taxes. A more effective supervision by the state over the budgetary practices and credit operations of the smaller spending units should be established. Those local units which are incapable of an effective independent operation should be consolidated, and the entire structure of our county government modernized. The states should give cities wider powers to own and operate utilities.

An amendment to the federal constitution that would permit the federal, state, and local governments to tax the income from federal, state, and municipal bonds on the same basis as income from any other securities should be adopted; and after its adoption bonds should be issued without the tax-exemption feature. The munitions industry should be nationalized and a plan of steeply graduated war taxes developed that would make the accumulation of large fortunes in consequence of war contracts impossible.

Instead of merely conforming with the changes occurring in the social order, taxation should induce them. Of all the peaceful means of bringing about a new social state, taxation is the most potent one. It should be used not merely as an expedient to raise revenue, but as a positive force for social reconstruction.

[*This is the concluding article of a series on public finance planned and edited by Professor Studenski.*]

In the Driftway

A GENTLEMAN now occupying a high place once said that what this country needs is a good impartial chairman with a strong prejudice in favor of labor. Since then a great many impartial chairmen have sat and gone; and the production of labor-board decisions and arbitration awards, like the production of many other commodities, has increased prodigiously as the number of workers has decreased. Today there are probably more unenforced labor decisions in this country than anywhere else in the world. Economists may argue whether it is a case of overproduction or underconsumption. The Drifter is more concerned with the quality of the output; and he has discovered an arbitration award which represents for him the triumph of the impartial chairman's art. It was written by Major Henry H. Curran, chairman of the arbitration committee named to mediate the elevator strike in New York City.

ARBITRATION awards are likely to be dull affairs. But Major Curran's begins with a hymn to Manhattan:

> Manhattan is still "The Vertical City." It is a city of towers, a piling of rock on rock, a skyline that is the wonder of the world, a giant token of architectural courage and inspiration. People travel in a day more vertical miles up and down in the elevators of Manhattan than they travel horizontal miles in all the subways, buses, cabs, and other conveyances put together. . . . Shank's mare is extinct like the dodo.

At this point Depression enters, followed by a chorus of 200,000 building-service workers of Greater New York. Major Curran continues:

> The silent beauty of Manhattan's skyscrapers at dusk is now no more than a screen concealing the sorriest story of financial distress that has ever visited this island that Peter Minuit bought from the Indians for $24. . . . We have before us the instance of a "father, with wife and seven children, working in an apartment in a desirable part of the city over four years, receiving $65 a month for seventy hours a week, and compelled to live in part on charity from several directions." . . . There are many instances of this kind, many of them much worse. They are proof of the increasing distress of *owners*.

For the sake of those who might have thought it was a typographical error the theme is repeated.

> It is grotesque [says Major Curran] that four-fifths of the cost of a city's government is collected from the buildings which are the pride of the city, just because these poor structures stay right there and cannot run away or dodge. This money comes out of the pockets of the poor. The men who provide the service in these buildings are as poor today as are the *owners*. [Italics ours again].

As George Kaufman remarked in "Once in a Lifetime," it couldn't *all* be a typographical error.

* * * * *

THE Drifter has not space to quote more. Suffice to say that the piece is full of sensibility, suspense, and surprise endings. It reaches its climax in a vision of cooperation between employers and employees and a plea for "fair treatment of the backbone of an island that is unique . . . the steady army of buildings that stands upon the rocky ridge that runs from the Battery to Spuyten Duyvil." Finally there is an epilogue in which the man with seven children is awarded $70 instead of $65 and the hours he may work on a night job are reduced from thirteen to eleven.

* * * * *

IT is painful to record that the building-service employees, who obviously have no appreciation of arbitration for art's sake, almost broke up the performance by declining to accept the award. The situation was saved momentarily when Mayor La Guardia, surrounded by all the policemen and all the firemen in the biggest city in the world, dressed up as elevator boys but still equipped with billy clubs and helmets, pounded on the table and told the boys they'd better accept Major Curran's happy ending. But as the Drifter goes to press, everything seems to be up in the air again, including the elevators, the operators, the arbitrators, and the Drifter. As for Major Curran, the Drifter wouldn't blame him if he gave up writing awards altogether.

THE DRIFTER

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Correspondence

The Cuban Utilities

To the Editors of The Nation:

I have read with interest Carleton Beals's vitriolic assault on the "Problems of the New Cuba," published by the Foreign Policy Association. As he devotes almost half of his 2,400-word review to a passionate denunciation of my public-utilities chapter, declares it to be a "practical whitewashing," asserts that "under a thin veneer of apparent academic impartiality" I "largely absolve the companies of past wrongdoing," and that I present "company propaganda without due analysis," I desire to reply to Mr. Beals's specific criticisms.

Mr. Beals declares that I "make no clear statement that the Cuban rates have been the highest in the world." I made no such clear statement because it would not be true. Mr. Beals says: "He admits they should be reduced but uses most of his space not in scientifically analyzing production and distribution costs, but in trying to prove by partial, incomplete, and unsound data what everyone knows, namely, that costs are greater in Cuba . . ." An analysis of production, transmission, and distribution costs in Cuba would have required the services of trained cost accountants and utility engineers. The commission considered and rejected the project of setting itself up as an exact rate-finding committee. Its report specifically recommends that such a study be made by technicians vouched for by the United States Federal Trade Commission, the Federal Power Commission, or the Tennessee Valley Authority. Mr. Beals says further: "He greatly exaggerates the load factor in costs and . . . compares the wide fluctuation in the amount of current used at different hours in the day for a single week ending April 28, 1934, with the fluctuations experienced by the Montana Power and the Texas Power and Light Company. He picks a week soon after a military coup d'etat and subsequent to a long period of disorder, also a week just after the grinding season, when fluctuations are unusually great." This is typical of all of Beals's criticism, and reveals a passion to demonstrate a preconceived thesis rather than an objective ascertaining of the facts, which was the commission's purpose and mine. On what does Mr. Beals base his assumption that I greatly exaggerated the load factor, to which I devote one paragraph? The week ending April 28 was not, as he asserts, "soon after a military coup d'etat." The last previous military coup d'etat had been in September, 1933, when Batista and Grau replaced Cespedes, unless Mr. Beals refers to the retirement of Grau because of non-recognition by the United States and the withdrawal of Batista's support in January, 1934. This was scarcely a coup d'etat. But in either case, the week of April 28, 1934, was not "soon after." Beals's assertion that the week was "subsequent to a long period of disorder" is likewise misleading. There has been more or less disorder in Cuba for the last four years—dating from the A.B.C.'s reprisals to Machado's wholesale assassinations. Any week a year thereafter could be alleged to be "subsequent to a long period of disorder." But the report deals with the present—and future—and the week in question coincided with the arrival of the first members of the commission in Cuba. Mr. Beals alleges that it was "a week after the grinding season . . ." Apparently he does not know that the Cuban Electric Company's generation is not materially affected by the cessation of the grinding season, as the *centrales* largely generate their own power during that period. Most pertinent, however, is the fact that the week in question was not exceptional but typical, and that approximately the same unfavorable load factor may be found at any time of the year in Cuba.

Fourth Large Printing!

RATS, LICE AND HISTORY

A Biography of Typhus Fever

By HANS ZINSSER

DR. LOGAN CLENDENING in *N. Y. Herald Tribune Books* says: "It is impossible for me to overpraise this fascinating volume."

J. B. S. HALDANE, eminent British scientist, in *The Saturday Review of Literature* says: "It is likely to be quite popular and deservedly so."

THE LITERARY DIGEST devotes an entire Book Review section to *"Rats, Lice and History"* — "One of the most profoundly philosophic, charmingly discursive, gently learned books yet written by a doctor, not excluding the essays of the memorable autocrat of a Boston breakfast-table."

Third Printing. An Atlantic Book

$2.75 LITTLE, BROWN & COMPANY Boston

BY THE AUTHOR OF
"THE COMING STRUGGLE FOR POWER"

The NATURE of CAPITALIST CRISIS

BY JOHN STRACHEY

A SUPERB diagnosis of the essential nature of capitalist crisis and depression—a devastating refutation of all capitalist economists' attempts to account for crises—and, finally, the most lucid and brilliant exposition of the Marxian theory of crises, of the Labor Theory of Value, and of the general Marxist critique of capitalism that has ever been made accessible to the non-economist public. *The Coming Struggle For Power* may be said to have represented the *emotional* approach to Marxism; *The Nature of Capitalist Crisis* is an eloquent, solidly reasoned expression of the *intellectual* acceptance of Marxist theory and practise.

416 pages, $3.00—At all bookstores

COVICI • FRIEDE • NEW YORK

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Mr. Beals declares that I made a misstatement when I said that Machado was never an official or a stockholder in the Electric Bond and Share's Cuban Electric Company. Mr. Beals to the contrary notwithstanding, my statement is fact, and corrects an error to which wide currency has been given in Cuba and which Mr. Beals himself propagated in his "The Crime of Cuba," saying (page 242), "When in 1921 the Electric Bond and Share Company began buying up Cuban utilities, it found one of the most experienced men in the field was Machado. . . . It made one of his close friends, Mr. Henry Catlin, president of the Cuban Electric Company; Machado himself became vice-president. By the end of 1923 they were serving more than eighty communities with electricity, gas, or water." The facts, as I stated them, which Mr. Beals contradicts, are that Machado had been in the electric business and sold his two plants at Santa Clara and Caibarien, operating under the name of Compañía Cubana de Electricidad. S. A., to the Electric Bond and Share. He was not, as Mr. Beals stated in his book and restates in his review, a vice-president or any other official of either the Electric Bond and Share or any of its subsidiaries.

Mr. Beals says that my "insistence that Machado showed no favoritism to the Cuban Electric Company . . . draws a rueful smile." My so-called "insistence" consisted of stating that "Machado would inevitably overrule the acts of municipal authorities ordering rate reductions," and of giving specific and typical instances of his frustration of all attempts to reduce rates. I repeated this statement for emphasis. However, I pointed out that Machado was friendly to *all* capital and especially to American capital and that his policy of protection extended not merely to the electric interests but to other American enterprises.

Mr. Beals says: "In labor conflicts Gruening takes the side of the company unions, while denying they are company unions." As far as the electric utilities are concerned, which alone Mr. Beals discusses in his review, and to which I will therefore likewise confine my comment, his implication that the union—the only union in the Cuban Electric Company, the Federación Sindical de las Plantas Electricas y de Agua—is a company union, is ridiculous and untrue. No friend of Cuban labor ever even alleged it; but Mr. Beals's unique sapience so declares it. The company refused to recognize the union at first, fought it consistently, and resisted all the union's essential demands until gradually compelled to yield, partly because of the solidarity and strength of the strikers, partly because of the assistance rendered the union by the Cuban government. The union struck on January 13, 1934, paralyzing the city of Havana, and the Grau government intervened, turning the plant over to the strikers' management for three weeks. Strange performance for a "company union"! After analyzing the list of grievances and demands of the union, my stated conclusion was that "the labor troubles in the company were in a considerable measure due to the shortcomings of the company officials, who in the early days of the conflict refused even to meet with the representatives of the union." In sum, I must deny that I have, as Beals asserts, taken the "side of the company union" in this matter, first, because there was no company union, second, because I tried to avoid "taking sides." This Mr. Beals will doubtless consider a damning admission.

In conclusion, I desire to quote my paragraphs on rates:

> As far as the rate controversy is concerned, the company's endeavor to stand on legal rights based on a military decree issued in 1902, when the science of electrical transmission was still in its infancy, is in the commission's view not entitled to serious consideration. That type of bourbonism invites revolution, and precipitated the sweeping Grau decree of December 6. The Grau government was called on to act, and took action. In principle and purpose its action was justifiable and necessary. The rate reduction has already resulted in increased consumption.
>
> The action of the Grau government, however, taken in the midst of a revolution, was crude and unscientific. The problem now is to establish rates which, in the phrase long used in American utility regulation, and applicable in Cuba as elsewhere, are "just and equitable."
>
> It cannot be denied that rates in Cuba were too high before the Grau decree. The rates themselves—from 15 to 25 cents maxima, the lack of change during thirty-one years, a period in which science had been making enormous strides and more than tripling the production of kilowatt hours from a pound of coal, and the company's belated willingness, when confronted by necessity, to make a 20 per cent rate reduction, are sufficient even without the evidence afforded by more detailed available data to state unqualifiedly that rates had long been excessive in Cuba.

If this be "practical whitewashing," as Mr. Beals asserts, the comments of the Electric Bond and Share officials indicate that they do not appreciate it.

Mr. Beals also says: "Gruening ignores public-relations activities, worse in Cuba than in our own country, although he once wrote a book exposing them in the United States." I do not know by just what standard of measurement Mr. Beals arrives at his conclusion that public-relations activities were "worse" in Cuba. In my judgment they were infinitely "worse" in the United States, where they included a far wider range of activities and of concealed propaganda. But since Mr. Beals has made mention thereof, I would suggest that the mood in which he castigates the report of the Foreign Policy Association Commission, and my chapter in particular, would lead him to deem my "The Public Pays" also highly unsatisfactory. That book on the utilities propaganda in the United States was merely an objective stating of the facts. It was not invective; it was not vehemently vituperative; it was not choleric. Neither is the Foreign Policy Association report. Mr. Beals is deeply distressed because my chapter in the Cuban report does not rehash the crimes of Machado. Those crimes I have denounced in various published articles and from the platform. The Foreign Policy Association Commission's purpose was not to write history but to deal with the present in Cuba, and the future, and to present facts, or what appeared to be facts to the members, as objectively as possible. That we did not fully succeed is undoubted. The reservations by different members testify to individual divergences of opinion. And they reveal that a collaborative effort inevitably tends to flatten out extremes of statement to a more temperate and also more tepid average of common assent. As far as the public-utilities chapter is concerned, the pertinent facts are all presented there. Their presentation has drawn fire of critics from the right and left. In failing to satisfy either extreme, I hope I have achieved a tolerably close approximation to truth. Probably every such commission should have attached to it a passionate partisan or two so that it may supplement the facts it finds with a savory seasoning of splutter.

Washington, February 11 ERNEST GRUENING

Books Wanted

TO THE EDITORS OF THE NATION:

The library of the Henry Street Settlement has been of great service to the community since its inauguration last year. Its chief source of books is the generosity of people who enjoy fostering the spirit of good reading. Will not *Nation* readers be glad to contribute?

New York, February 20 BENJAMIN MILLER

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Labor and Industry

"Hand and Brain"

By HEYWOOD BROUN

"BUT, of course, I don't want to be associated with truck drivers and bricklayers."

It is a long time since I have heard this sentiment uttered by anybody in a Newspaper Guild meeting, but it was common enough in the beginning. Naturally, it was not always voiced in this precise phraseology, although curiously enough it was the teamsters and the bricklayers who were chiefly picked upon in spite of the fact that these are crafts requiring highly skilled workers. The snobbishness of the white-collar groups in America is on the whole exaggerated. If clerks, newspapermen, accountants, and professional men have been slow in organizing, it has not been altogether because of reluctance. It is rather an inability. We have neither the tradition nor the training.

"You boys will have your troubles in the beginning," a labor leader said, "because you have had no experience in organization. You don't mind my being frank, do you? Well, I'm afraid that reporters will rat on each other in a way that no printer would think of doing."

But with a few lamentable exceptions we have been better than that. Of course there is and has been Mr. X (his name is familiar enough to other newspapermen), who bettered the mark of Judas by selling out twice within a single week. When the Guild unit voted a strike on the Newark *Ledger* he did not go out with his fellows. A few days later the paper suspended publication for forty-eight hours. Out came Mr. X. "I'm with you," he said, and added naively, "Of course, I want to be on the winning side." A day later, when the paper recruited a skeleton crew of strike-breakers and resumed publication, Mr. X went back to his desk. He is, ironically enough, employed as an expert on sports and sportsmanship.

And even so I continue to contend that the average newspaperman has a natural inclination to organize with his fellows. The Guild is built upon the earlier experiences of such cooperative movements as the Baseball Writers' Association, the Dramatic Critics' Circle, the Press Photographers' Association, and the group of White House, House, and Senate press representatives.

I will grant that the word "union" has had its terrors for the white-collar workers. The decision that trade unionism necessitates a limit upon maximum pay still lingers. The unionization of actors and their A .F. of L. affiliation has been a happy circumstance to be cited in rebuttal. But even the class-conscious Thespians avoided the word "union" and organized under the title Actors' Equity.

The fault lies partly with the missionaries themselves. They have been too insistent in pointing out to white-collar workers their deplorable backwardness. Almost they have made it seem that this aloofness was a matter of predestination. To that I say, "Stuff and nonsense." A very considerable proportion of white-collar workers are ready right now to join the parade of organization if only space in the ranks is assigned to them. I might even suggest that the collars are not really very white after all and never were.

When I was a candidate for Congress on the Socialist ticket I was instructed to make my appeals to workers of "hand and brain." The phrase does not appeal much to me. It harbors the potentiality of a misconception. It harbors the suggestion that certain types of labor are wholly mechanical in every way while other tasks are accomplished entirely from the neck up. Newspaper work, as I know it, is a combination of both. As one doomed for many years to write a daily stint I can remember many columns which were set down solely from the wrists without any cerebration whatsoever. As for the bricklayer as a retarding symbol, I can testify that on many mornings I have looked at my own contribution, or even that of one of my confreres, and exclaimed, "Any bricklayer could have done better."

If there were no publisher pressure against the Newspaper Guild I venture to say that reporters in America would be as solidly organized as workers in any other industry in the country. A certain number of sincere and very rugged individualists are to be found in the various city rooms, but in many cases the reporter who says, "I don't belong to the Guild because I don't believe in unionization," is merely rationalizing his fear of being discriminated against because of his rashness.

One publisher of a large New York newspaper admitted very frankly that he was wholly against any kind of reportorial union. "I admit," he said, "the legal right of newspaper men and women to organize. Even the moral right if you insist, but I think it is a right which they should foreswear just as doctors and lawyers have avoided unionization. An organization of newspaper reporters, whether affiliated with the A. F. of L. or not, would tend to destroy the freedom of the press, since each news gatherer would tend to see events from labor's point of view."

Charlie Howard, president of the I. T. U., met this argument in a debate by saying, "Well, wouldn't it even things up a little if reporters did begin to give labor a break after all these years?"

But there is an even more fundamental argument in favor of reportorial organization as a factor in promoting the integrity of the news. Louis Stark, Richard Rohman, and a dozen others might be mentioned as highly skilled labor reporters, but the average newspaperman has been inefficient in covering strikes, lockouts, and other labor difficulties. He has been inefficient because he didn't know what it was all about. In most cases he has not understood the psychology of the other fellow. The kid just out of college has been inclined to regard a picket line as essentially comic. That is, until he has stood on his own picket line.

Any newspaper editor who is sincerely devoted to the ideal of truthful and accurate reporting ought to welcome the existence of the Newspaper Guild. It is changing us from labor illiterates into reporters and commentators who are learning from our own experience the vital factors in the conflict. One must meet the truth face to face before one is able to tell it. We are moving in that direction.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Labor Notes

Two Boards, Two Reports

I

REPORTING to the President on the results of its first six months of life, the National Labor Relations Board has painted a picture of impotence and futility. The report, it can be said to the credit of its authors, does not beat around the bush. Of 86 decisions handed down by the board, 68 were of a nature which required compliance. Compliance was forthcoming in 17 cases; in the other 51 cases the employer simply ignored the board's decision. In 24 of the non-compliance cases the board induced the NRA to remove the Blue Eagle. In 19 of the cases the board turned to the Department of Justice, which has filed, so far, one solitary bill of complaint—the Houde *cause célèbre*—which has yet to come to trial. In no less than 7 proceedings the board has been tied up by court actions initiated by employers. "The board is powerless to enforce its own decisions," the three members admit. "In the ultimate analysis its 'findings' and 'orders' are nothing more than recommendations." In many industries "the loss of the Blue Eagle, when not blocked by injunction suits, has little practical effect." As for court enforcement, it is, "under the present machinery, slow, uncertain, and cumbersome." The report does not explain why, in the face of all this, the board sees fit to continue in existence; or how it can justify the expenditure to date of $290,000 of federal funds. If Messrs. Biddle, Millis, and Smith suppose that they will be able to swing the President around to their support, they must be incredibly naive. The President is less than ever in the mood to force collective bargaining on big business. What he had to say on Section 7-a in his NIRA message—"The rights of employees freely to organize for the purpose of collective bargaining should be fully protected"—was vague piety, and hopelessly ambiguous besides.

II

LIKE the Biddle board, the Automobile Labor Board has just released a report of its operations covering the ten months ended February 5, 1935. The Wolman tribunal, as one would expect, strikes a complacent attitude and gives voice to an *apologia pro vita sua*. We learn that "it is the board's judgment, after ten months of experience in the industry, that discrimination caused by union activity or union membership is not a problem of any magnitude at the present time and has not been for some time in the past." The judgment is highly interesting; for it comes fresh on the heels of the Henderson-Lubin report, which laid bare the terrors of the intricate system of espionage by which the automobile employers keep track of the opinions, attitudes, and activities of their hired hands. As to collective bargaining, we are informed that "there can be no question but that the levels of prevailing [industrial relations] have been materially raised during the past year, and that collective bargaining between the management and representatives of many groups of workers is being extensively carried on through the industry." Anyone who read the Henderson-Lubin report would have supposed that the question was still an open one, for if the disinterested experts were correct, the automobile wage-earner continues to groan under the heavy burden of tyrannical foremen and straw bosses. Unlike any other labor board to which the Recovery Act has given birth, the Wolman tribunal has no enforcement problem. "The decisions, orders, and rulings of the board," we are informed, "have been generally obeyed. . . . The jurisdiction of the board has not been challenged and it has not been involved in any litigation with respect to its general powers and the variety of specific problems with which it has undertaken to deal." These remarks give the secret away; if the Automobile Board had made a single genuine effort to break down the master-and-servant traditions of the industry, it would have run into a blank wall of defiance, just as all its contemporaries have done.

Company Police

IN February, 1934, Gifford Pinchot, then Governor of Pennsylvania, appointed a commission of five to investigate activities of company-paid deputy sheriffs in the state. One of the members was Francis Biddle. In its recent report the commission recommends legislation to abolish private police on the ground that they are a distinct menace during industrial disputes. We quote a few revealing excerpts from the report:

> The first very serious disorder occurred early in the morning of August 1 at Rowes Run, where a large group were picketing the highway near Colonial No. 3 mine of the Frick Company. Two company deputies in an automobile were stopped by dipping an American flag across the road. When the pickets saw that the occupants of the car were company deputies, the cry of "yellow dog" was raised. As the car went on at considerable speed, one of the deputies fired a number of revolver shots, killing one picket and crippling another for life. The deputies say that the pickets threw stones at their car; the pickets say that the shooting was entirely unprovoked except by the calling of names. The deputies were exonerated at the coroner's inquest.
>
> At Star Junction, early on August 1, about twenty-five Frick Company deputies escorted a few men to work. A picket line of two hundred or more strikers pressed the deputies on the public highway and jeered at them. The deputies fired tear gas, buckshot, and at least one revolver. Five pickets were wounded, at least two of whom were shot in the back.

The report has this to say of a riot in Ambridge, in the course of which one man was killed and fifty or more wounded.

> The result of the sheriff's acts was to terrorize the strikers and to hinder efforts to unionize the steel plants. When a body of 150 men, heavily armed, including the district attorney of the county, marches under the lead of the sheriff to a pitched battle with men armed with clubs, there is an overwhelming show of force which inevitably leads the defeated workers to conclude that the public authorities and the employers are in league to crush them. When it appears later that the military expedition has been financed by the employers, the workers may assume that the conclusion is confirmed.

This investigation must have been an excellent training course for Mr. Biddle's present position.

Contributors to This Issue

LELAND J. GORDON is on the staff of the Department of Economics of Denison University.

ELLEN WILKINSON has been a Labor Member of Parliament and a member of the Manchester City Council.

PAUL STUDENSKI is associate professor of economics at New York University.

ARCHIBALD MACLEISH is the author of "New Found Land," "Conquistador," which won the Pulitzer poetry prize in 1932, and "Frescoes for Mr. Rockefeller's City."

WILLIAM SEAGLE was assistant editor of the Encyclopedia of the Social Sciences until its recent completion.

BABETTE DEUTSCH is the author of "Epistle to Prometheus" and other volumes of verse.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

PANIC*

By ARCHIBALD MacLEISH

The time is an evening in late February, 1933. The scene is a street before an electric news bulletin of the Times Square type—moving words in lighted letters. As the curtain rises the street is faintly lighted by the jerking flashes of the bulletin. There are a few men and women before it, their raised faces caught by the light. A few more approach. They speak not to each other but as though alone. Words read from the bulletin (printed in italics) are spoken at a regular lagging beat as the machine forms them.

CONFUSED VOICES: *Foreclosures in . . .*
closed . . .
foreclosing . . .
Factories closing doors . . .
Billions in balances frozen
Doors closing . . .
foreclosed . . .

A WOMAN: Closing as doors close with
Death in a woman's house when the
Wind closes them.

A MAN: Thousands
Silent at closed doors.

A MAN: Silent: the doors closing: the
Life stopped.

A WOMAN: Comes over us
Slowly with closing of doors: with
Lights put out: with the stoves
Cold: the hands numb.

AN OLD MAN: Slowly the thing comes.
There are many signs: there are furnaces
Dead now that were burning
Thirty years in a town—
Never dark: there are foundries—
Fires drawn: trestles
Silent. The swifts nest in
Stacks that for generations
Flowed smoke. The patience of
Hawks is over the cities:
They circle in clean light where the
Smoke last year frightened them.

A WOMAN: The gears turn: twitter: are
Still now. The sound dies.
From the east with the sun's rising
Daily are fewer whistles:
Many mornings listening
One less or two.

A YOUNG MAN: The thing comes pursuing us
Creeping as death creeps in an
Old man: as sleep comes:
Leaving on one hill—
On the stand—the stalks silver—
Corn rotted in ear:
Leaving on land nearest us
Wagons abandoned: milk cows
Slaughtered for no sickness:
Rigs rusting at pit-heads:
Pumps frozen: switches
Green with the rain: the oil
Thickened: scale in boilers—
Good gear all of it:
Sound metal: faultless:
Idle now: never manned.

A GIRL: Men in the dusk—and they stand there
Letting the girls go by with the
Sweet scent: silent:
Leaning heavily: bent to the
Painted signs on the fences—
They that in other times
Calling after us climbed by the
Steep stair for the sight of a
Girl's knee delighting her.

A MAN: From what ill and what enemy
Armless shall we defend the
Evening—the night hours?

A MAN: No eyes of ours have
Ever knowing beheld it.
It comes not with the bells
Arousing towns: racing with
Smoke—with the wind's haste—
The tallest houses toppled.

A MAN: Comes not from the hospitals—
Odor of scattered lime—
Night burials climbing the
Empty streets by the markets.

A MAN: Not with the shot: with the barking of
Dogs before color of dawn—
The whistle over the lawn—the
Running footfall stumbling.

A WOMAN: Nevertheless it comes.
Men die: houses
Fall among kitchen flowers.
Families scatter. Children
Wander the roads building of
Broken boxes shelter.
A land of great wealth and the
Old hungry: the young
Starving—but not with hunger.
None have beheld this enemy.
What arms can defend the
Evening—the night hours—
When fear: faceless: devours us?

A WOMAN: Blight—not on the grain!
Drouth—not in the springs!
Rot—not from the rain!

A MAN: What shadow hidden or
Unseen hand in our midst
Ceaselessly touches our faces?

* We print here the first section of "Panic," a play in verse which will be produced in New York City in the week of March 11.—EDITORS THE NATION.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Anatomy of Dickens

The Sentimental Journey: A Life of Charles Dickens. By Hugh Kingsmill. William Morrow and Company. $3.
Dickens. By André Maurois. Harper and Brothers. $2.

IF Dickens has become so fascinating to the modern biographer, as the flood of recent studies would seem to indicate, it is probably less because of any suddenly renewed interest in his work than because of the increasing recognition of his influence on the culture of which we are still to a large extent the product. According to M. Maurois, Dickens was not only the most popular writer of a race; he was largely responsible for shaping that race. In his most characteristic novels he set the pattern for a type of sensibility and a type of mentality which were to persist in Anglo-Saxon countries right through to our own time. The anatomy of the personality reflected in those novels becomes therefore the anatomy of a whole age of social and literary culture. It becomes an aid to the understanding, if not of ourselves, at least of our neighbors, so many of whom we may be able to explain in terms of the confused and contradictory attitudes of the society which Dickens helped to create and defend in its own eyes.

Of these two new studies Mr. Kingsmill's is much the more penetrating in its attempt to get behind the prim and ivy-covered façade of Dickens's "cockney fairyland." For Mr. Kingsmill the creator of Pickwick, Little Nell, Fagin, and David Copperfield is a writer who failed of the first rank because he never managed to harmonize his great comic genius with his emotions. The reason is his tremendous gift for self-pity, the result of an exaggerated sense of his miseries and privations in childhood and adolescence. This self-pity or self-love caused him to be callous toward his parents and friends, brutal in his relations with his wife, and arrogant and hard-pressing in all his business transactions. It was responsible also for his ambition and greed: the source of his untiring energy in supplying a doting audience with a pabulum that was consoling to it and highly remunerative to himself. But what is more important, it kept him from ever understanding himself or his own emotions; it limited his art to a playing on the surfaces of life. It is by stressing this point that Mr. Kingsmill develops his thesis, announced at the beginning and amply illustrated throughout, that Dickens's "emotions were unpurged by his humor, and his humor, except in occasional sudden flashes, was unenriched by his emotions." The result is that there is an absolute division between his comedy, which at its best is the product of a coldly realistic observation of what is ludicrous and grotesque in human beings, and the emotional portions of his work, which are the gross outpourings of his timid and suppressed nature. This separation in Dickens between the mind and the feelings, Mr. Kingsmill demonstrates at some length, is what made him so acceptable to his own age; but it is also what keeps him from the company of Shakespeare, Cervantes, Fielding, and the other great humorists.

While M. Maurois takes account of most of the recently available material, his effort to be fair, to offer a "balanced portrait," results only in a cancelation of traits which leaves us very much as we were at the beginning. With his usual nice attention to his readers' prejudices, the author of "Ariel" and "Disraeli" blames but to condone, and in the end makes the worse appear the better cause. Thus Dickens was motivated by pity not for himself but for others—a pity for the poor, among whom he was born and lived his early life. For M. Maurois, Dickens's protests against social abuses in his novels are based on a "craving for revenge" against a heartless and irresponsible society. Mr. Kingsmill, of course, takes a somewhat different view toward Dickens's humanitarianism. After pointing out that most of these abuses were due to be remedied, he remarks: "He [Dickens] was one of those reformers who attack with public opinion behind them, and are rewarded with an increase in their wealth and popularity." The middle class, in Mr. Kingsmill's view, did not object to Dickens's exposures as long as he glorified its representatives in such angelic business men as Mr. Pickwick, the Cheeryble brothers, and Jarndyce in "Bleak House." In general, it may be said that M. Maurois is unsatisfactory as a biographer of Dickens because the reader feels that he is himself too prone to the sentimental confusion of important issues which is one of the principal objections to his subject.

At the same time Mr. Kingsmill's brilliant and caustic study suffers from the too zealous effort to relate every incident in Dickens's life to his thesis. This is especially true in the treatment of Dickens's dispute with Seymour, the illustrator of the "Pickwick Papers," for whose suicide Mr. Kingsmill would have us hold Dickens responsible without giving us a sufficient review of the facts in the case. The real truth about Dickens will probably not be written until biographers can avoid both the temptation to identify themselves with their subject and an attitude of extreme bitterness. Then it will be possible to have a portrait of Dickens which will also be a portrait of his age—and of a good deal of our own as well.

WILLIAM TROY

One Man's Road

Personal History. By Vincent Sheehan. Doubleday, Doran and Company. $3.

IN 1918 Vincent Sheean was a freshman at the University of Chicago. When, in November, the Armistice was declared, it seemed to him that he had been somehow cheated. A premature peace had swindled him out of his slice of glory, of adventure, of high-geared living. The millions of American undergraduates who shared his sense of frustration must, no doubt, soon have contented themselves with life's tamer pleasures, but not so Sheean. Four years later he was in Paris, one of the bright young expatriate newspapermen who clustered about the offices of the Paris *Herald* and the smaller, more impecunious Paris *Times*. Next he was at Lausanne, covering the Peace Conference for the Chicago *Tribune;* then he was with the Army of Occupation in the Ruhr; and from that time on the red-haired Irish-American journalist was hot on the heels of whatever wars and revolutions the post-war world had to offer him. He was in the Riff with Abd-El-Krim; he was in Moscow; he was in China with Borodin when Chiang Kai-shek betrayed the Chinese Revolution; he was, finally, in the Holy Land when Arabs and Jews massacred each other under a strictly neutral British imperialist flag.

Fortunately for his success as an itinerant newspaperman, Sheean was no mere observer of these affairs, no placid camp-follower. He was, frequently, a definite participant. He possessed a talent for having what his paper described as "personal adventures," and his career was peppered with hair-raising exploits and hair-breadth escapes. A legend grew up about him, until he was believed to be no ordinary journalist but a buccaneering young adventurer in the Richard Harding Davis tradition.

"Personal History" is Sheean's refutation of this legend. The young man who reveals himself in this autobiography is certainly no ordinary journalist, but neither is he a professional adventurer. He is a human being of extraordinary taste and sensibility, who throughout fifteen years of turbulent experience has been primarily interested in moral values. Violence

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

AT SENSATIONAL REDUCTIONS!

Great Modern Books
in Their Original Editions—NOT Reprints

40% to 70% off their former prices

Original Editions is an organization which offers you, in their original, handsome formats:

BOOKS FROM SUCH LEADING PUBLISHERS AS HARCOURT, BRACE AND COMPANY; DODD, MEAD AND COMPANY; HARPER AND BROTHERS; LITTLE, BROWN AND COMPANY, AND WHITTLESEY HOUSE.

IMPORTANT, WORTHWHILE BOOKS FORMERLY $2.00 TO $15.00 Now as low as $1.01

HERE ARE SOME OF THE 84 TITLES ON THE FIRST LIST
ORDER THEM BY NUMBER—USE THE COUPON BELOW

1. NEW DIMENSIONS by Paul T. Frankl—was $6.00, now $1.89
2. DESERT DRUMS by Leo Crane—was $5.00, now $1.59
3. FISHERS OF BOOKS by Barton Currie—was $4.00, now $1.69
4. PILGRIMS, INDIANS AND PATRIOTS by Randolph G. Adams—was $3.00, now $1.49
5. AMERICAN DRAMATISTS by Montrose J. Moses — was $3.50, now $1.29
6. HIGH TARTARY by Owen Lattimore—was $4.00, now $1.59
7. CULTURE AND PROGRESS by William Dallam Wallis—was $5.00, now $1.89
8. DRAWN FROM LIFE by S. J. Woolf—was $5.00, now $2.49
9. EDWARD VII, Man and King, by H. E. Wortham—was $4.00, now $1.49
10. THEODORE ROOSEVELT by Lord Charnwood—was $2.50, now 1.01
11. THE GALLANTS by E. Barrington—was $3.50, now $1.01
12. THOMAS HOLLEY CHIVERS, Friend of Poe, by S. Foster Damon—was $5.00, now $1.69
13. SCULPTURE by A. M. Rindge—was $6.00, now $1.69
14. THE WORKS OF FRANCIS RABELAIS by Nock and Wilson—was $15.00, now, Boxed, $4.94
15. JEFFERSON by Albert Jay Nock—was $2.75, now $1.29
16. FOUNDATIONS OF MODERN ART by Amedee Ozenfant—was $5.00, now $2.49
17. NEW BACKGROUNDS FOR A NEW AGE by E. A. Park—was $5.00, now $1.94
18. JEAN JACQUES ROUSSEAU by Matthew Josephson—was $5.00, now $1.94
19. MODERN AMERICAN PAINTERS by Samuel Kootz—was $5.00, now $1.49
20. MASKS, MIMES AND MIRACLES by Allardyce Nicoll—was $15.00, now $4.94
21. AMERICAN ESTIMATES by Henry S. Canby—was $3.00, now $1.01
22. THE CRITICAL YEAR by Howard K. Beale — was $2.75, now $1.01
23. PUSS IN BOOKS edited by Elizabeth Drew and Michael Joseph—was $3.00, now $1.01
24. BOOKS AND BIDDERS by A. S. W. Rosenbach — was $5.00, now $1.94

MAIL THIS COUPON TODAY

In your bookstore.
Look for the books with this band.

SEND NO MONEY—unless you want to

Mail this coupon to ORIGINAL EDITIONS and on receipt of your order, pay the postman cost plus postage—or enclose check or money order plus postage.

FREE CATALOG

Check the coupon box calling for a catalog and we will send you a complete list of ORIGINAL EDITIONS publications free, without obligation.

MAIL THIS COUPON TODAY

ORIGINAL EDITIONS,
383 Madison Avenue, New York City

Gentlemen: Kindly send me, at once, the books corresponding to the numbers which I have circled.

1 2 3 4 5 6
7 8 9 10 11 12
13 14 15 16 17 18
19 20 21 22 23 24

☐ Send C. O. D. I will pay postman cost of order plus postage.
☐ I enclose check or money order plus 8 cents per volume for postage.
☐ Please send free catalog.

NAME .....

STREET..... CITY .....

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

and catastrophe *per se* have not attracted him, but he has found that in scenes of crisis the current of human affairs runs clearest. His book is only incidentally a chronicle of events; it is, at bottom, a serious study of the relation of an individual to the world. Sheean's clear-sighted perception of this problem, his peculiar, passionate approach to it, turn a lively, well-written piece of journalism into a first-class literary work.

Like many another sensitive, highly organized human being, Sheean experimented with pure sensationalism, and found it not wholly satisfying. Experience in itself may be pleasant, but it is pointless unless it can in some manner be related to a larger experience, to the cosmos, and thus be invested with significance. How this significance is to be achieved, how the one life is to be fused with the many, is the problem which early in life Sheean posed for himself, and which, after fifteen years of hesitation and confusion, he finally solved. To identify himself with the world revolution, to work in his own way for the classless society—this has been his decision, his answer to the problem, but the answer is not so unusual or so interesting as the method by which he arrived at it.

Many have come to the revolution by way of economics, many via philosophy; many have come from prejudice, or need, or simple, blind faith; but few have come by Sheean's road. That road is an anachronism today: it is the road of a child, or of an old-fashioned, pragmatic moralist. During his years in journalism Sheean devoted himself more to the study and the evaluation of character than he did to his "personal adventures." He had a warm, intuitive appreciation of human beings and a strong moral sense which compelled him to estimate their value. In China he met a man named Borodin and a woman named Rayna Prohme, both of whom were working for the Communist International. These, he felt, were the finest human beings he had ever known, the clearest, most radiant human spirits. Observing them he found their minds and emotions bound up with the revolutionary movement, their lives magnetized to a Communist pole. He was converted by what he saw, as people once must have been christianized more by the sight of Jesus or St. Paul than by their teachings. The whole history of his conversion—his doubts, his sense of weakness, his temporary apostasy—has a Biblical tenor. I do not know whether Moscow would look with favor on so reactionary a young revolutionist; I doubt whether party doctrine would sanction his ultimate decision to cultivate his own garden; but I am sure that Sheean's road to revolution is an original and honest one, and that his account of the journey is actually heart-warming.

MARY MCCARTHY

Little Man Once More

The World Outside. By Hans Fallada. Simon and Schuster. $2.50.

HERR FALLADA'S second novel to reach America is also a story of a little man. Willi Kufalt, its chief character—one would never call Willi a hero—spends a year out of prison in between two prison terms, a year in which he finds that the penitentiary gives him everything in the world he needs except liberty; on the whole, he decides, it is a good bargain. Inside he is safe, fed, warmed, given an occupation, and provided with the preoccupation of besting his prison mates and his guards by the trivial cunning at which he is adept. In his year of liberty he found the world a much crueler, harder place than prison had been. When the gates close on him once more he experiences nothing but relief.

All this Herr Fallada describes with informative detail, realistic speech, an insight into the hearts of his characters, and even some pity and terror. Willi, if he is not in any sense a noble figure, is a pathetic and a recognizable one. One does not doubt, when the book is finished, that prison is as Willi finds it; that the world, without precisely meaning to be, was allied against him when he came out; that with all the good intentions in the world he did not have a chance to make an honest living. Because of the convincingness with which Willi's tale is told, "The World Outside" has been described as an important social novel. Willi is Everyman who somehow has got into trouble. Once Everyman gets into trouble, the whole world makes a point of seeing that he does not get out.

But this is doing Herr Fallada too much honor—or perhaps too little. He wrote the story of Willi, not of Everyman with the world against him. Willi was weak as a lad with plenty of opportunity to make his way in the world, with an indulgent father who did not lack means to educate him, with a comfortable middle-class bringing up. Even with this much of the world on his side, Willi began by getting himself into a mess. It was a very small mess, the result of narrow-minded provincialism, but a mess nevertheless. In other words, Willi never had much sense, in so far as sense means a feeling for the fitness of things, or more grandly, social responsibility. Because he didn't have much sense he eventually landed in prison; when he got out, his none too sharp wits, coupled with however good intentions, did nothing but get him back in again, where wit was not needed to provide food and shelter.

This is not to say that if Willi's IQ had been higher he could surely have beaten the forces which were opposed to him during his year of freedom. But it is altogether possible that he might never have landed in prison in the first place. Not the grim injustices of the social order but his own intellectual shortcomings were his undoing; which makes "The World Outside" not an important social novel but a convincing novel of character, a comedy in which the hero—perhaps in this sense Willi is a hero after all—lives happily ever after.

DOROTHY VAN DOREN

Democracy and Infantry

Democracy and Military Power. By Silas Bent McKinley. With an Introduction by Charles A. Beard. The Vanguard Press. $3.

THIS book should be classed with the recent opus of Enrico Malatesta, which maintained that the engineering of a social revolution was more or less a routine job of striking at the nerve centers of the modern state. Professor McKinley is, of course, no fascist—indeed, he is full of anxiety for the safety of democracy—but his own contribution to social theory is characterized by similar emphasis upon the purely mechanical factors in history. There appears to be developing a mechanical interpretation of history.

Professor McKinley seeks to maintain the thesis that the existence of democracy since the days of the Greek hoplite has always depended upon the dominance of a citizen infantry in military organization. Infantry and democracy, cavalry and autocracy are correlatives. Thus democracy was impossible in the Middle Ages because the knight bestrode Western Christendom with his highly expensive charger and accoutrement, which were quite beyond the economic reach of the common man. With the substitution, however, of a citizen army for mercenary forces, democracy revived. Popular government was assured by the fact that the minute man could seize his relatively inexpensive musket. The triumph of fascism is now to be feared precisely because modern war equipment, such as the tank, which presumably may be roughly equilibrated to the charger, is now beyond the means of the average citizen, and the dominance of the infantry in the modern army seems very much in doubt.

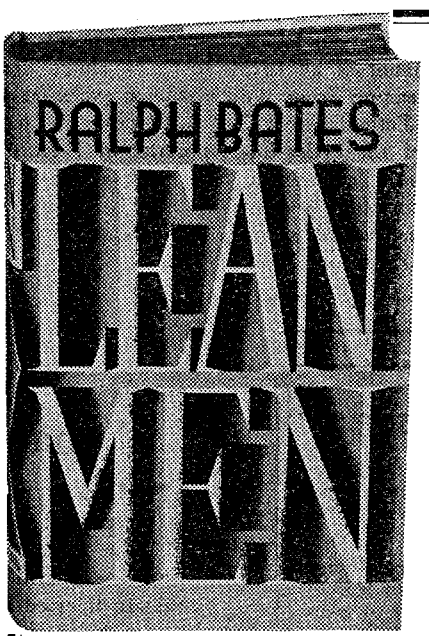
LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Perhaps the first reaction of the gentle reader will be to rush forth to buy himself the proper colored shirt. But then again he may reflect that Professor McKinley, confounding cause with effect, has overlooked many things. The importance of the invention of particular forms of arms may be readily conceded—as a single factor. But is not democracy supposed to have had some connection with other inventions, such as printing? In other words, is not democracy determined by a whole complex of factors, economic, political, and cultural? Should it not be possible to devise some forms of political control over the military machine? Are not even the most complex and expensive military weapons operated by the common man? Would not the highly mechanized modern army be particularly menaced by the possibility of civilian revolt? Under modern industrial conditions is not the service of supply even more important than the equipment in the field, and is not the concept of the nation in arms an indubitable reality no matter what form of tactics is adopted? At any rate, does history always repeat itself? Finally, even if the overwhelming importance of a citizen infantry be conceded, will it play a negligible role in the future? The military experts disagree; many would not deprive the common man of his inalienable privilege of serving as cannon fodder.

Professor Beard's introduction to Professor McKinley's book exhibits consummate tact. He dwells upon the general importance of the problem of controlling military power. He just hints that perhaps Professor McKinley has neglected the influence of ideas in the evolution of democracy.

WILLIAM SEAGLE

In
The Nation
Next Week
a
Debate between
LEO WOLMAN
Chairman of the Automobile Labor Board
and
WILLIAM M. LEISERSON
Chairman of the National Mediation Board
on
Collective Bargaining



"EVERYONE interested in the new proletarian fiction should stop and take notice. It is the most vivid and convincing of recent working-class novels."
—says *The Saturday Review of Literature* in a lengthy feature review of

RALPH BATES'
LEAN MEN

SIX HUNDRED PAGES of crowded action, of realism to grip even a calloused imagination, and a love story as tender as ever lingered in memory, with the recent Spanish revolution as a colorful, dramatic background!

"One of the most interesting novels from England in recent years." —*New York Sun*

"Far and away the best novel of the week, brilliantly written, exciting to the point of melodrama! He has more wit, color, humor and poetry than most of his contemporaries. If anything, he is too rich, too generous. There are pages on music in this book which could have been written by few other authors." —*New Yorker*

Price $2.50
at all bookstores

THE MACMILLAN CO.
60 Fifth Avenue, New York City

The Great Depression
By LIONEL ROBBINS

"In the deluge of books about the depression, this easily emerges as among the most important."
$3.00 —*N. Y. Times*

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The Art of Poetry

A Tearless Glass. With a Preface on the Art of Poetry. By Louis Grudin. Covici-Friede. $2.

THE eighteen poems which compose this book are prefaced by an essay, as pompous as it is erudite, entitled Poetry and Causal Symbolism. The author defines causal symbolism as "the limitation of the references of items as items of the schemes in which they are ordered, aside from whatever references the items may have beyond their correlation in such schemes." He asserts further, in words which seem to him worthy of being set in italics, that "we can make a causal process. And this in fact is just what we do when we perform a work of art." He pouts his lip at the art-for-art's-sakers, dismisses, more respectfully, the Marxian critics, and concludes that today "the critical task is . . . to discern the different human practices as fields of causal symbolism, as distinct logics, and to master the arts of translation." I am not at all sure that I have succeeded in disentangling his meaning from the wrappings of an arid, abstract, and intricate diction, but if I do understand him, Mr. Grudin is saying that the artist imposes order upon the buzzing, blooming confusion of experience; that the phenomenon produced by his deliberate effort is complex and unique; and that this result is to be judged as an entity and with regard to the peculiar laws of its formation. This is no great news, although at the present juncture it is worth restating, as is Mr. Grudin's repetition of the currently disregarded fact that the degree in which the "*social* utility" of a literary work is achieved "depends upon the degree in which its *literary* purpose is realized." Van Wyck Brooks said the same thing some years ago with a cogency lacking in Mr. Grudin's lucubrations, and more recently Ezra Pound observed: "Writers as such have a definite social function, exactly proportioned to their ability as writers." Indeed, one might remark that the critical utility of Mr. Grudin's essay would be greater were it more satisfactory as literature.

The handful of poems which follow are uneven in quality, but worthy of respect as sincere transcripts of experience. The author wants an ear for cadence and studs his free verse with obtrusive rhymes. Some phrases seem the result of a mere childish desire to startle. Vague echoes of T. S. Eliot play hide-and-seek with reminiscences of Maxwell Bodenheim's lyric style, and the result is not a happy one. Among the most successful poems are three at the beginning of the book: Word, a poem about death which evades obviousness; Camera, a sardonic exclamation of pity; and Idle Noon, the conclusion of which triumphs over the heavy imagery of its opening. The portrait of Horace Gregory is oversimplified and the Homage to S. C. a piece of venomous baroque. Numbers 3 and 10 of Youth, 1920, are more vivid than the other panels in a picture that is scarcely as ample as its title implies.

BABETTE DEUTSCH

1935—TENTH ANNIVERSARY OF THE VIKING PRESS

STATISTICS AND PHILOSOPHY

If you would know the facts which must underlie any consideration of America's economic life—if you would know the philosophic basis of the modern state—two recent books will be revealing to you.

In 1934, the administration instituted the National Survey of Potential Product Capacity under the direction of Harold Loeb. This fact-finding commission traced the flow of commodities from raw material through all the intervening stages to the finished product. To correlate the mass of facts gathered by the survey, a master chart was drawn up which shows how the productive capacity of America relates to the needs of the people.

The Chart of Plenty by Harold Loeb and Associates ($2.50) reveals the implication of these facts. It clearly demonstrates that by utilizing its full capacity, our present productive system could afford every family in the United States the equivalent, in goods and services, of $4,370 annually. Here is the incontrovertible answer to the much-debated question—"How much can America really produce?" Here, too, are the basic facts for any discussion of our economic problems.

Harold J. Laski has been for years a leader of progressive thought in England and a member of the Labour Party "Brains Trust". *The State in Theory and Practice* ($3.00) is a scholarly, challenging presentation of Mr. Laski's views on the state and its future. He contends that the power of the state rests, in the last analysis, on coercion, and he shows how and why that coercive power is wielded in favor of those who control the instruments of production. He makes clear how, when the unpropertied feel that they are receiving *less than the productive system is capable of giving them,* conflict is inevitable. Finally, he shows, by reference to recent historical events, what steps industrialists take in attempting to postpone or avoid that conflict. *The State in Theory and Practice* suggests the dangerous future which confronts modern society and indicates a rational way of preparing for it.

THE CHART OF PLENTY

THE STATE in THEORY and PRACTICE

Drama

Shaw for Shaw's Sake

THE most recent plays by Bernard Shaw are commonly regarded as the products of senility. It may be that they are, but as I watched the latest unfold upon the stage of the Guild Theater I found myself not only very genuinely diverted but suddenly possessed of a brand-new theory to account for the rambling character which "The Simpleton of the Unexpected Isles" shares with "The Apple Cart" and "Too True to Be Good." That theory is as follows: Bernard Shaw is not senile, but merely come at last to the point where he feels justified in doing exactly as he likes. For nearly fifty years he courted the public in his own indirect way, sweating over the difficult problem of expressing himself in terms it would accept, and shaping his unconventional plays into something remotely resembling the conventional form. Then, at about three score and ten, he realized that there was no reason why he should bother himself any longer. The public be damned. He would write exactly what he found it fun to write and leave it in the form it happened to be in when it ceased to be fun to work on.

Now it is not easy for a confirmed puritan like Mr. Shaw to become irresponsible, even at an advanced age; but as soon as he achieved one irresponsibility he achieved another. There had always been a playful and a mystic side to his nature, but what we may call the Beatrice and Sidney Webb side was always getting in the way of both. Though his natural impulse was to write a farce about God, conscience warned him of his duty to consider the abuses of landlordism, and for half a century he forced himself to be what he—if no one else—fondly believed to be practical. At last, however, he has freed himself from the fetish of practicality. As he announced in "Too True to Be Good," world affairs have now got beyond the point where even he could arrange them. He is convinced at last that mankind is damned beyond hope of redemption,

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

and the conviction has taken a great weight off his mind. Since nothing could be of any use, there is no need to keep up the effort to be useful. The man who "can explain anything to anybody and who enjoys doing it" gives way to his profoundest impulses. He talks copiously and vivaciously about everything and indulges in horseplay to his heart's content. True, some of the subjects which occur to him are political and moral. But they are no longer supposed to have any practical bearing on anything. In so far as satire persists, it is no longer directed at specific abuses which the author is hoping to correct but, like much classical satire, is merely disinterested comment upon the folly, perverseness, and stupidity of the human race. In other words, these later plays are not tracts at all. They are simply Shaw for Shaw's sake.

"The Simpleton of the Unexpected Isles" is the least serious of the three late plays, and to me—though not, apparently, to most of my colleagues—it is consistently entertaining. For that, a good deal of credit must go to the Guild, which has provided a delightful series of fanciful settings by Lee Simonson and a cast so rich that, besides Nazimova and Romney Brent in the featured roles, it provides for secondary parts such first-rate performers as Rex O'Malley and McKay Morris. Mr. Brent especially is a delight to watch as the cheerful Simpleton, and there never was a play so bad that it would not be worth seeing if he were in it. But I insist that Mr. Shaw's text is diverting too, and that the only way in which an intelligent spectator can prevent himself from enjoying it is by doing what intelligent spectators at Shaw plays have always been told to do, namely, try to discover its serious meaning. It is true that all sorts of things which have a specious air of "significance" happen. A group of English men and women form with two Orientals a polygamous-polyandrous family for the purpose of producing perfect children, only to discover that the said children have impeccable artistic consciences but no moral consciences at all—a defect which their parents propose to rectify by crossing the two females with the clergyman-simpleton, whose father had raised him on synthetic nitrogen exclusively; England attempts to secede from the Empire in order to regain her independence; Judgment Day is announced by a conventional Sunday School angel who explains that the damned—that is, the useless—will simply fade away, and then asks to be directed to a convenient flat roof from which he can make a take-off. It is also true that every now and then one or another of the characters begins some vatic utterance which seems for the moment to be about to embody the "lesson" of the play—as, for example, when one announces that we must always have wars because only by wars can the world be changed, even though, of course, the changes made are never the ones intended; or when, at the very end, the priestess proclaims that though poor foolish men are always seeking security, the only things they ever get are something very much better, namely, wonder and adventure. But for all this and for all a very great deal more, I do not believe that the play has any consistent thesis or any coherent body of ideas. Mr. Shaw, who used to be accused of being a divertingly naughty young man when he was really so earnest about nearly everything, has become a divertingly naughty old man at last, though no one seems willing to admit the fact, and "The Simpleton of the Unexpected Isles" ought to be highly entertaining to any intelligent person who is willing to take it as the vaudeville that it is. Of course if Mr. Shaw should ever hear of this interpretation he would reply that the play is, on the contrary, the most carefully constructed as well as the most clear and most deadly serious of all his works. But, then, Mr. Shaw once insisted that the "Ring" of Wagner was a musical commentary on "Das Kapital."

JOSEPH WOOD KRUTCH

Getting an Inside View of SOVIET RUSSIA . . .

The OPEN ROAD

helps you penetrate beneath the surface. Through long-established connections with Soviet institutions and through its own independent representation in Moscow, it enables you to meet people . . . affords more than ordinary tourist services. Inquiring travelers . . . students, teachers, and members of the professions . . . are invited to consult regarding their plans . . . either for group tours or individual arrangements . . . without obligation or expense.

Ninth Season

MOSCOW UNIVERSITY SUMMER SCHOOL $366 to $380 Including Passage

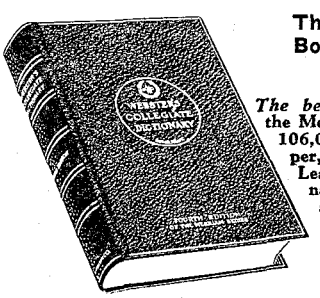
18th Floor
The OPEN ROAD
56 WEST 45TH STREET NEW YORK
Cooperating with Intourist

BOOKS

The SEX TECHNIQUE IN MARRIAGE
Recommended by Physicians
By I. E. Hutton, M. D.

"Dr. Ira Wile describes the book as a clear, succinct, non-emotional, authoritative and conservative exposition of the practical factors involved in making marriage successful on the sexual level. . . . It is primarily concerned with the conduct of the honeymoon and with the technic of sexual performance."—Dr. Morris Fishbein. Price $2.00 (postage 15c extra)
EMERSON BOOKS, INC., 333 SIXTH AVENUE, NEW YORK CITY

WEBSTER'S COLLEGIATE



The Necessary Quick-Reference Book for Home and Office Use
A Merriam-Webster
The best abridged dictionary. The largest of the Merriam-Webster abridgments. 1268 pages; 106,000 entries; 1700 illustrations. Thin paper, indexed: Cloth, $3.50; Fabrikoid, $5.00; Leather, $7.00; Pigskin, dark blue or natural, $8.50. Purchase of your bookseller or send order and remittance direct to the publishers, or write for free information.
G. & C. MERRIAM CO.
508 Broadway Springfield, Mass.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

□ PLAYS □ DEBATE □

Are Soviet Methods of Political Justice Defensible?

DEBATE

Negative — OSWALD GARRISON VILLARD, *Editor, The Nation*

Affirmative — JOHN HOWARD LAWSON, *Playwright*

Chairman: ROGER BALDWIN

SUNDAY, MARCH 3rd, at 4 P. M.
Fifth Avenue Theatre, 28th St. and Broadway

Under direction of
FRANCES GROSSEL
63 Fifth Avenue, N. Y. C.

ADMISSION: 35c - 55c

THE THEATRE GUILD *presents*
S. N. BEHRMAN'S play
RAIN FROM HEAVEN
with JANE COWL and JOHN HALLIDAY
GOLDEN THEATRE, 45th Street, West of Broadway. Evenings 8:30. Matinees Thurs. and Sat. 2:30.

THE THEATRE GUILD *presents*
(in association with Charles B. Cochran)
for a limited engagement
ELISABETH BERGNER in
ESCAPE ME NEVER
by MARGARET KENNEDY
SHUBERT THEATRE, 44th Street, West of Broadway. Evenings 8:30. Mats. Thurs. and Sat. 2:30.

□ JOSEPH WOOD KRUTCH says □

ACCENT ON YOUTH. Plymouth Theater. Hopeful message for the middle-aged in a lively comedy about playwright in love with his secretary. Witty and amusing.

ANYTHING GOES. Alvin Theater. Victor Moore as Public Enemy No. 13 in a No. 1 musical revue, with Ethel Merman at her best.

ESCAPE ME NEVER. Shubert Theater. Here is a heap of theatrical rubbish, romantically entitled. Few if any indeed, could play it one-half so charmingly as Elisabeth Bergner.

LIFE BEGINS AT 8:40. Winter Garden. Disputes with "Anything Goes" for first place among the revues.

POST ROAD. Ambassador Theater. Novel and exciting crook melodrama which begins as a quiet domestic comedy but has lots of surprises up its sleeve.

RAIN FROM HEAVEN. Golden Theater. Perhaps the best—and certainly the most substantial—of S. N. Behrman's excellent comedies. With Jane Cowl as a charming embodiment of urbanity and tolerance in a world seemingly about to lose both.

REVENGE WITH MUSIC. New Amsterdam Theater. Charles Winninger, Rex O'Malley, and Libby Holman in a lavish and generally entertaining operetta with lots of comedy and some good dancing in a more or less Spanish manner.

THE CHILDREN'S HOUR. Maxine Elliott's Theater. Tense but grim drama about a fiendishly perverse child, who is played with extraordinary force by Florence McGee. One of the most-discussed plays of the year.

THE PETRIFIED FOREST. Broadhurst Theater. Superb performance by Leslie Howard in Robert Sherwood's engrossing play about a lost intellectual. Exciting as melodrama but a great deal more besides.

THUMBS UP. St. James Theater. Bobby Clark, Hal Le Roy, and others in a slightly old-fashioned but entertaining review.

TOBACCO ROAD. Forrest Theater. Sub-human but fascinating behavior of the Georgia crackers.

Films

"Sequoia"

THE spirit of Rousseau, wafted across the centuries and settling over the almost virgin wilds of the Sierra Nevadas, is quite clearly to be detected in "Sequoia," which has opened to as robust a chorus of approbation as any picture this season. Belonging to the class of films which endeavor to initiate us into the mysteries of the animal kingdom, it is also, in its way, a lesson in the manner in which man has broken "nature's social union." Its story is based on the not too credible friendship that grows up between two foundlings of the mountain forest—a young puma and a fawn. The orphans are rescued by the young daughter of a nature-loving author and sheltered in her cabin until the naturally repressed instincts of the more savage of the two make him a menace to the other human inhabitants of the region. But their beautiful friendship continues even after they have been allowed to roam and gambol at will through the giant California redwoods. The climax occurs when the puma, now a formidable representative of his species, leaps to the rescue of his friend, the deer, just as the latter is about to be shot by a dastardly huntsman. All this is of course too crudely sentimental, too much an affair for the children, to be taken very seriously; and one can hardly be expected to be upset by the propagandist implications that the state of California should have more and better game laws. The picture will appeal for different reasons to former Boy Scouts, legislators, professional hikers, and vegetarians. But it is only fair to say that it will at the same time appeal to those people for whom the simple movements of animals in action provide a welcome relief from the rendition of major human emotions by some of our more distinguished Hollywood actors. Despite the slight evidence of any real plastic sense on the part of either director or camera man, the natural line and movement of the animals in certain scenes—one might mention in particular the scaling of a high-walled corral by a whole herd of deer—give to the picture occasional moments of the purest abstract beauty. It is, in a word, the sort of picture whose sole reward is for the eye—a description which is not altogether complimentary perhaps but would be even less so in a season that offered anything more.

In a fortnight that has seen two filmed recruiting posters for the United States marines, a version of one of Robert Nathan's novels with Janet Gaynor in the principal role, and a blurred French print of "Topaze," the only encouraging news that can be reported is that "Chapayev" is in its seventh week at the Cameo. To see this Soviet film for a second or third time is a considerably more exciting experience than to see any of the newer Hollywood offerings for a first time. But that is far from being the tribute that it deserves from the disheartened wanderer through the waste land of the current Broadway screen world.

WILLIAM TROY

Next Week

NORMAN THOMAS

will review

"The Nature of Capitalist Crisis"

by John Strachey

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED